

Lincoln County, Wisconsin  
FEDERAL AND STATE AWARDS REPORT

December 31, 2017

# Lincoln County, Wisconsin

DECEMBER 31, 2017

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## FEDERAL AND STATE AWARDS

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## Independent auditors' report on compliance for each major federal and state program and on internal control over compliance 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 (the "County'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 the County's major federal and state programs for the year ended December 31, 2017. The County'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 the County'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 the County'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 the County's compliance.

### **OPINION ON EACH MAJOR FEDERAL AND STATE PROGRAM**

In our opinion, the County 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, 2017.

## **REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the County 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 the County'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 the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. 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 certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a significant deficiency.

The County'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. The County'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 SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS 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 the County as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 13, 2018, 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 and state awards 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 and state awards 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, 2018 except for the Schedules of  
Expenditures of Federal and State Awards as to which  
the date is August 13, 2018

# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

| Grantor Agency/Federal Program Title  | CFDA Number | Pass-Through Agency | Pass-Through Entity Identifying Number | (Accrued) Deferred Revenue 1/1/17 | Cash Received (Refunded) | Accrued (Deferred) Revenue 12/31/17 | Total Expenditures | Subrecipient Payment |
|---|-------------|---------------------|--|-----------------------------------|--------------------------|-------------------------------------|--------------------|----------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| <b>SNAP Cluster</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| State Administrative Matching Grants for Food Stamp Program   | 10.561      | Wood County         | 277                                    | \$ (11,855)                       | \$ 18,399                | \$ 1,280                            | \$ 7,824           | \$ -                 |
| State Administrative Matching Grants for Food Stamp Program   | 10.561      | Wood County         | 284                                    | (14,683)                          | 92,519                   | 21,076                              | 98,912             | -                    |
| Total SNAP Cluster  |             |                     |  | (26,538)                          | 110,918                  | 22,356                              | 106,736            | -                    |
| Total U.S. Department of Agriculture  |             |                     |  | (26,538)                          | 110,918                  | 22,356                              | 106,736            | -                    |
| <b>U.S. DEPARTMENT OF INTERIOR</b>  |             |                     |  |                                   |                          |                                     |                    |                      |
| <b>Fish and Wildlife Cluster</b>  |             |                     |  |                                   |                          |                                     |                    |                      |
| Wildlife Restoration and Basic Hunter Education   | 15.611      | WI DNR              | None                                   | -                                 | 1,684                    | -                                   | 1,684              | -                    |
| <b>U.S. DEPARTMENT OF JUSTICE</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| <b>Bulletproof Vest Program</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| Public Safety Partnership and Community Policing Grants   | 16.607      | Direct Program      | Not Applicable                         | -                                 | 3,664                    | -                                   | 3,664              | -                    |
|   | 16.710      | Oneida County       | Unknown                                | -                                 | 7,319                    | -                                   | 7,319              | -                    |
| Total U.S. Department of Justice  |             |                     |  | -                                 | 10,983                   | -                                   | 10,983             | -                    |
| <b>U.S. DEPARTMENT OF TRANSPORTATION</b>  |             |                     |  |                                   |                          |                                     |                    |                      |
| <b>Highway Planning and Construction Cluster</b>  |             |                     |  |                                   |                          |                                     |                    |                      |
| National Recreational Trails Program  | 20.219      | WI DNR              | RTA-742-14                             | (6,710)                           | 6,710                    | 6,782                               | 6,782              | -                    |
| <b>Highway Safety Cluster</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| State and Community Highway Safety  | 20.600      | WI DOT              | FG-2016-LINCOLN-03608                  | (1,282)                           | 2,411                    | -                                   | 1,129              | -                    |
| Total U.S. Department of Transportation   |             |                     |  | (7,992)                           | 9,121                    | 6,782                               | 7,911              | -                    |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| <b>Public Health Emergency Preparedness</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements | 93.069      | WI DHS              | 155050                                 | -                                 | 1,750                    | -                                   | 1,750              | -                    |
| Immunization Cooperative Agreements   | 93.074      | WI DHS              | 155015                                 | (11,293)                          | 37,049                   | 12,459                              | 38,215             | -                    |
| Promoting Safe and Stable Families  | 93.268      | WI DHS              | 155020                                 | -                                 | 10,006                   | -                                   | 10,006             | -                    |
|   | 93.556      | WI DCF              | 3306                                   | (6,233)                           | 35,803                   | 12,105                              | 41,675             | -                    |
| <b>TANF Cluster</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| Temporary Assistance for Needy Families   | 93.558      | WI DCF              | 3377                                   | (12,456)                          | 70,159                   | 11,134                              | 68,837             | -                    |
| Temporary Assistance for Needy Families   | 93.558      | WI DCF              | 3380                                   | (1,668)                           | 6,761                    | 374                                 | 5,467              | -                    |
| Temporary Assistance for Needy Families   | 93.558      | Vilas County        | 852                                    | (18,878)                          | 66,820                   | 18,672                              | 66,614             | -                    |
| Temporary Assistance for Needy Families   | 93.558      | WI DCF              | 3612                                   | -                                 | 1,228                    | 4,299                               | 5,527              | -                    |
| Total TANF Cluster  |             |                     |  | (33,002)                          | 144,968                  | 34,479                              | 146,445            | -                    |
| <b>Child Support Enforcement (Title IV-D)</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| Child Support Enforcement (Title IV-D)  | 93.563      | WI DCF              | 7477                                   | (74,156)                          | 245,598                  | 35,807                              | 207,249            | -                    |
| Child Support Enforcement (Title IV-D)  | 93.563      | WI DCF              | 7482                                   | 488                               | (3,102)                  | (537)                               | (3,151)            | -                    |
| Child Support Enforcement (Title IV-D)  | 93.563      | WI DCF              | 7506                                   | (168)                             | 1,089                    | (377)                               | 544                | -                    |
| Child Support Enforcement (Title IV-D)  | 93.563      | WI DCF              | 7615                                   | -                                 | 60,844                   | -                                   | 60,844             | -                    |
| Total Child Support Enforcement (Title IV-D)  |             |                     |  | (73,836)                          | 304,429                  | 34,893                              | 265,486            | -                    |
| <b>Low Income Home Energy Assistance</b>  |             |                     |  |                                   |                          |                                     |                    |                      |
| Low Income Home Energy Assistance   | 93.568      | WI DOA              | AD1599972.35                           | (11,599)                          | 40,175                   | -                                   | 28,576             | 28,576               |
| Low Income Home Energy Assistance   | 93.568      | WI DOA              | AD1599973.35                           | -                                 | 4,776                    | 13,974                              | 18,750             | 18,750               |
| Total Low Income Home Energy Assistance   |             |                     |  | (11,599)                          | 44,951                   | 13,974                              | 47,326             | 47,326               |
| <b>CCDF Cluster</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                        | 93.596      | WI DCF              | 831                                    | (1,048)                           | 6,756                    | 1,263                               | 6,971              | -                    |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                        | 93.596      | Vilas County        | 852                                    | (18,878)                          | 66,820                   | 18,672                              | 66,614             | -                    |
| Child Care Mandatory and Matching Funds of the Child Care and Development Fund                        | 93.596      | Vilas County        | 856                                    | -                                 | 3,715                    | -                                   | 3,715              | -                    |
| Total CCDF Cluster  |             |                     |  | (19,926)                          | 77,291                   | 19,935                              | 77,300             | -                    |
| <b>Stephanie Tubbs Jones Child Welfare Services Program</b>   |             |                     |  |                                   |                          |                                     |                    |                      |
| Stephanie Tubbs Jones Child Welfare Services Program  | 93.645      | WI DCF              | 3413                                   | (1,338)                           | 3,951                    | 522                                 | 3,135              | -                    |
| Stephanie Tubbs Jones Child Welfare Services Program  | 93.645      | WI DCF              | 3561                                   | -                                 | 16,305                   | -                                   | 16,305             | -                    |
| Stephanie Tubbs Jones Child Welfare Services Program  | 93.645      | WI DCF              | 3681                                   | -                                 | 1,304                    | -                                   | 1,304              | -                    |
| Total Stephanie Tubbs Jones Child Welfare Services Program  |             |                     |  | (1,338)                           | 21,560                   | 522                                 | 20,744             | -                    |

# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

| Grantor Agency/Federal Program Title  | CFDA Number | Pass-Through Agency | Pass-Through Entity Identifying Number | (Accrued) Deferred Revenue 1/1/17 | Cash Received (Refunded) | Accrued (Deferred) Revenue 12/31/17 | Total Expenditures  | Subrecipient Payment |
|---|-------------|---------------------|--|-----------------------------------|--------------------------|-------------------------------------|---------------------|----------------------|
| Foster Care (Title IV-E)  | 93.658      | WI DCF              | 3396                                   | (273)                             | 601                      | -                                   | 328                 | -                    |
| Foster Care (Title IV-E)  | 93.658      | WI DCF              | 3413                                   | (2,398)                           | 7,084                    | 936                                 | 5,622               | -                    |
| Foster Care (Title IV-E)  | 93.658      | WI DCF              | 3561                                   | -                                 | 182,990                  | -                                   | 182,990             | -                    |
| Foster Care (Title IV-E)  | 93.658      | WI DCF              | 3681                                   | -                                 | 14,634                   | -                                   | 14,634              | -                    |
| Total Foster Care (Title IV-E)  |             |                     |  | <u>(2,671)</u>                    | <u>205,309</u>           | <u>936</u>                          | <u>203,574</u>      | <u>-</u>             |
| Chafee Foster Care Independence Program   | 93.674      | WI DCF              | 3360                                   | (305)                             | 305                      | -                                   | -                   | -                    |
| Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance (PPHF) | 93.733      | WI DHS              | 155032                                 | (2,200)                           | 3,305                    | 2,200                               | 3,305               | -                    |
| Preventive Health and Health Services Block Grant   | 93.758      | WI DHS              | 159220                                 | -                                 | 6,600                    | -                                   | 6,600               | -                    |
| Children's Health Insurance Program   | 93.767      | Wood County         | 277                                    | (1,552)                           | 2,409                    | 168                                 | 1,025               | -                    |
| Children's Health Insurance Program   | 93.767      | Wood County         | 284                                    | (1,922)                           | 12,238                   | 2,794                               | 13,110              | -                    |
| Total Children's Health Insurance Program   |             |                     |  | <u>(3,474)</u>                    | <u>14,647</u>            | <u>2,962</u>                        | <u>14,135</u>       | <u>-</u>             |
| Medicaid Cluster  |             |                     |  |                                   |                          |                                     |                     |                      |
| Medical Assistance Program  | 93.778      | WI DHS              | 159320                                 | (76)                              | 789                      | -                                   | 713                 | -                    |
| Medical Assistance Program  | 93.778      | Wood County         | 277                                    | (15,349)                          | 23,821                   | 1,656                               | 10,128              | -                    |
| Medical Assistance Program  | 93.778      | Wood County         | 284                                    | (21,615)                          | 127,728                  | 28,733                              | 134,846             | -                    |
| Medical Assistance Program  | 93.778      | Wood County         | Unknown                                | -                                 | -                        | 9,497                               | 9,497               | -                    |
| Total Medicaid Cluster  |             |                     |  | <u>(37,040)</u>                   | <u>152,338</u>           | <u>39,886</u>                       | <u>155,184</u>      | <u>-</u>             |
| Maternal and Child Health Services Block Grant to the States  | 93.994      | WI DHS              | 159320                                 | (1,435)                           | 14,837                   | -                                   | 13,402              | -                    |
| Total U.S. Department of Health and Human Services  |             |                     |  | <u>(204,352)</u>                  | <u>1,075,148</u>         | <u>174,351</u>                      | <u>1,045,147</u>    | <u>47,326</u>        |
| U.S. DEPARTMENT OF HOMELAND SECURITY  |             |                     |  |                                   |                          |                                     |                     |                      |
| Emergency Management Performance Grants   | 97.042      | WI DMA              | EMPG-WI-2017-C8335                     | (10,563)                          | 18,160                   | 20,466                              | 28,063              | -                    |
| Pre-Disaster Mitigation Program   | 97.047      | WI DMA              | PDMC-PL-05-WI-2015-002                 | -                                 | 7,500                    | 7,500                               | 15,000              | -                    |
| Total U.S. Department of Homeland Security  |             |                     |  | <u>(10,563)</u>                   | <u>25,660</u>            | <u>27,966</u>                       | <u>43,063</u>       | <u>-</u>             |
| <b>TOTAL FEDERAL AWARDS</b>   |             |                     |  | <u>\$ (249,445)</u>               | <u>\$ 1,233,514</u>      | <u>\$ 231,455</u>                   | <u>\$ 1,215,524</u> | <u>\$ 47,326</u>     |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.



# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

| Grantor Agency/State Program Title                              | State I.D. Number | Pass-Through Agency                                   | Pass-Through Entity Identifying Number | (Accrued) Deferred Revenue 1/1/17 | Cash Received (Refunded) | Accrued (Deferred) Revenue 12/31/17 | Total Expenditures | Subrecipient Payment |
|---|-------------------|---|--|-----------------------------------|--------------------------|-------------------------------------|--------------------|----------------------|
| <b>DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION</b> |                   |   |  |                                   |                          |                                     |                    |                      |
| County Staff and Support  | 115.15            | Direct Program  | Unknown                                | \$ (100,237)                      | \$ 100,237               | \$ 81,839                           | \$ 81,839          | \$ -                 |
| LWRM Plan Implementation Projects                               | 115.40            | Direct Program  | Unknown                                | (14,497)                          | 19,802                   | 19,788                              | 25,093             | -                    |
| Farmland Preservation   | 115.708           | Direct Program  | Unknown                                | (15,450)                          | 15,450                   | -                                   | -                  | -                    |
| Total Department of Agriculture, Trade and Consumer Protection  |                   |   |  | (130,184)                         | 135,489                  | 101,627                             | 106,932            | -                    |
| <b>DEPARTMENT OF NATURAL RESOURCES</b>                          |                   |   |  |                                   |                          |                                     |                    |                      |
| Venison Processing Grant  | 370.549           | Direct Program  | Unknown                                | -                                 | -                        | 650                                 | 650                | -                    |
| Boating Enforcement   | 370.550           | Direct Program  | Unknown                                | (12,162)                          | 5,835                    | 19,050                              | 12,723             | -                    |
| ATV Enforcement   | 370.551           | Direct Program  | Unknown                                | (13,276)                          | 11,702                   | 28,009                              | 26,435             | -                    |
| Snowmobile Enforcement  | 370.552           | Direct Program  | Unknown                                | (7,462)                           | 6,574                    | 6,328                               | 5,440              | -                    |
| Wildlife Damage Abatement and Claims                            | 370.553           | Direct Program  | Unknown                                | (5,652)                           | 19,521                   | 5,615                               | 19,484             | -                    |
| County Conservation Aids  | 370.563           | Direct Program  | N/A                                    | 1,293                             | 5,446                    | (1,480)                             | 5,259              | -                    |
| County Fish, Wildlife & Forestry                                | 370.564           | Direct Program  | N/A                                    | -                                 | 4,730                    | (3,653)                             | 1,077              | -                    |
| Recreational Aids - Fish  | 370.564           | Direct Program  | N/A                                    | 541                               | -                        | (541)                               | -                  | -                    |
| County Forest Administration                                    | 370.572           | Direct Program  | S-4683                                 | -                                 | 54,001                   | -                                   | 54,001             | -                    |
| Recreational Aids - Snowmobile Trail and Area Aid               |                   |   |  |                                   |                          |                                     |                    |                      |
| Snowmobile Trail Aids   | 370.574           | Direct Program  | S-4435                                 | (16,878)                          | 16,878                   | -                                   | -                  | -                    |
| Snowmobile Trail Aids   | 370.574           | Direct Program  | S-4738                                 | 39,125                            | 39,125                   | -                                   | 78,250             | -                    |
| Snowmobile Trail Aids   | 370.575           | Direct Program  | S-4738                                 | -                                 | 5,733                    | 5,734                               | 11,467             | -                    |
| Snowmobile Trail Aids   | 370.574           | Direct Program  | S-4924                                 | -                                 | 53,400                   | 27,800                              | 81,200             | -                    |
| Snowmobile Trail Aids   | 370.575           | Direct Program  | S-5038                                 | -                                 | 46,950                   | (46,950)                            | -                  | -                    |
| Supplemental Snowmobile Trail Aids                              | 370.569           | Direct Program  | S-5082                                 | -                                 | 21,605                   | (21,605)                            | -                  | -                    |
| Total Recreational Aids - Snowmobile Trail and Area Aid         |                   |   |  | 22,247                            | 183,691                  | (35,021)                            | 170,917            | -                    |
| <b>All-Terrain Vehicle (ATV) Program</b>                        |                   |   |  |                                   |                          |                                     |                    |                      |
| All-Terrain Vehicle Trails                                      | 370.576           | Direct Program  | ATV-3218                               | (15,205)                          | 15,205                   | 12,690                              | 12,690             | -                    |
| All-Terrain Vehicle Trails                                      | 370.576           | Direct Program  | ATV-3418                               | (2,176)                           | 14,368                   | -                                   | 12,192             | -                    |
| All-Terrain Vehicle Trails                                      | 370.576           | Direct Program  | ATV-3465                               | 10,187                            | 10,187                   | -                                   | 20,374             | -                    |
| All-Terrain Vehicle Trails                                      | 370.576           | Direct Program  | ATV-3485T                              | -                                 | 143                      | 143                                 | 286                | -                    |
| All-Terrain Vehicle Trails                                      | 370.576           | Direct Program  | ATV-3618                               | -                                 | 16,748                   | 8,961                               | 25,709             | -                    |
| All-Terrain Vehicle Trails                                      | 370.576           | Direct Program  | ATV-3665                               | -                                 | 11,032                   | (11,032)                            | -                  | -                    |
| Total All-Terrain Vehicle (ATV) Program                         |                   |   |  | (7,194)                           | 67,683                   | 10,762                              | 71,251             | -                    |
| <b>Targeted Runoff Management Program - Cost Sharing</b>        |                   |   |  |                                   |                          |                                     |                    |                      |
| Targeted Runoff Management Program - Cost Sharing               | 370.TF1           | Direct Program  | TRC-CW28-35000-N14                     | (88,696)                          | 88,696                   | -                                   | -                  | -                    |
| Targeted Runoff Management Program - Cost Sharing               | 370.TF1           | Direct Program  | TRC-UW30-35000-14-1F                   | (104,746)                         | 104,746                  | -                                   | -                  | -                    |
| Total Targeted Runoff Management Program                        |                   |   |  | (193,442)                         | 193,442                  | -                                   | -                  | -                    |
| Aquatic Invasive Species  | 370.678           | Direct Program  | AEPP-419-14                            | (9,916)                           | 12,013                   | -                                   | 2,097              | -                    |
| Total Department of Natural Resources                           |                   |   |  | (225,023)                         | 564,638                  | 29,719                              | 369,334            | -                    |
| <b>DEPARTMENT OF TRANSPORTATION</b>                             |                   |   |  |                                   |                          |                                     |                    |                      |
| Elderly and Handicapped Transportation Aids                     | 395.101           | Direct Program  | Unknown                                | 41,421                            | 79,801                   | (69,346)                            | 51,876             | -                    |
| <b>DEPARTMENT OF HEALTH SERVICES</b>                            |                   |   |  |                                   |                          |                                     |                    |                      |
| Seal-a-Smile  | 435.152           | WI Association of Local Health Departments and Boards | Unknown                                | (1,675)                           | 6,258                    | 897                                 | 5,480              | -                    |
| IMAA State Share ACA  | 435.276           | Wood County   | 276                                    | (28,952)                          | 44,934                   | 3,125                               | 19,107             | -                    |
| IMAA Federal Share ACA  | 435.277           | Wood County   | 277                                    | (196)                             | 305                      | 21                                  | 130                | -                    |
| IMAA State Share  | 435.283           | Wood County   | 283                                    | (27,400)                          | 126,963                  | 29,334                              | 128,897            | -                    |
| IMAA Federal Share  | 435.284           | Wood County   | 284                                    | (243)                             | 2,483                    | 607                                 | 2,847              | -                    |
| Cons Contracts CHHD LD  | 435.157720        | Direct Program  | N/A                                    | -                                 | 2,832                    | 780                                 | 3,612              | -                    |
| Maternal & Child Health Services Block Grant                    | 435.159320        | Direct Program  | N/A                                    | (76)                              | 789                      | -                                   | 713                | -                    |
| Total Department of Health Services                             |                   |   |  | (58,542)                          | 184,564                  | 34,764                              | 160,786            | -                    |

# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

| Grantor Agency/State Program Title                           | State I.D. Number | Pass-Through Agency | Pass-Through Entity Identifying Number | (Accrued) Deferred Revenue 1/1/17 | Cash Received (Refunded) | Accrued (Deferred) Revenue 12/31/17 | Total Expenditures  | Subrecipient Payment |
|--|-------------------|---------------------|--|-----------------------------------|--------------------------|-------------------------------------|---------------------|----------------------|
| <b>DEPARTMENT OF CHILDREN AND FAMILIES</b>                   |                   |                     |  |                                   |                          |                                     |                     |                      |
| Food Stamp Agency Incentives                                 | 437.965           | Direct Program      | 965                                    | (145)                             | 1,342                    | 296                                 | 1,493               | -                    |
| Medicaid Agency Incentives                                   | 437.980           | Direct Program      | 980                                    | (177)                             | 1,453                    | 170                                 | 1,446               | -                    |
| Community Intervention Program                               | 437.3410          | Direct Program      | 3410                                   | (131)                             | 6,373                    | 8,303                               | 14,545              | -                    |
| Youth Aids AODA  | 437.3411          | Direct Program      | 3411                                   | -                                 | 320                      | -                                   | 320                 | -                    |
| Youth Aids Early Intervention                                | 437.3412          | Direct Program      | 3412                                   | (11)                              | 3,220                    | 10,291                              | 13,500              | -                    |
| Youth Aids   | 437.3413          | Direct Program      | 3413                                   | (150,003)                         | 443,071                  | 58,552                              | 351,620             | -                    |
| Basic County Allocation                                      | 437.3561          | Direct Program      | 3561                                   | -                                 | 187,085                  | -                                   | 187,085             | -                    |
| State County Match   | 437.3681          | Direct Program      | 3681                                   | -                                 | 14,961                   | -                                   | 14,961              | -                    |
| Mobility Support Liability Incentive                         | 437.7332          | Direct Program      | N/A                                    | (2,486)                           | 25,208                   | 1,786                               | 24,508              | -                    |
| Child Support Activities                                     | 437.7502          | Direct Program      | N/A                                    | -                                 | 39,853                   | -                                   | 39,853              | -                    |
| Child Support Medical Support                                | 437.7606          | Direct Program      | N/A                                    | -                                 | 2,289                    | -                                   | 2,289               | -                    |
| Child Support - Federal Parent Locator Services              | 437.7903          | Direct Program      | N/A                                    | -                                 | (723)                    | (241)                               | (964)               | -                    |
| Total Department of Children and Families                    |                   |                     |  | (152,953)                         | 724,452                  | 79,157                              | 650,656             | -                    |
| <b>DEPARTMENT OF JUSTICE</b>                                 |                   |                     |  |                                   |                          |                                     |                     |                      |
| Victim Witness Cluster                                       | 455.532           | Direct Program      | N/A                                    | (19,075)                          | 35,866                   | 17,951                              | 34,742              | -                    |
| Total Department of Justice                                  |                   |                     |  | (19,075)                          | 35,866                   | 17,951                              | 34,742              | -                    |
| <b>DEPARTMENT OF MILITARY AFFAIRS</b>                        |                   |                     |  |                                   |                          |                                     |                     |                      |
| Emergency Training Grant Program                             | 465.337           | Direct Program      | N/A                                    | (1,910)                           | 3,822                    | 5,733                               | 7,645               | -                    |
| Hazard Mitigation Grant                                      | 465.305           | Direct Program      | N/A                                    | (7,500)                           | 7,500                    | -                                   | -                   | -                    |
| Computer and Hazmat Equipment                                | 465.367           | Direct Program      | N/A                                    | -                                 | 8,727                    | 1,153                               | 9,880               | -                    |
| Total Department of Military Affairs                         |                   |                     |  | (9,410)                           | 20,049                   | 6,886                               | 17,525              | -                    |
| <b>DEPARTMENT OF ADMINISTRATION</b>                          |                   |                     |  |                                   |                          |                                     |                     |                      |
| Land Information Grant                                       | 505.173           | Direct Program      | AD169028                               | 115,096                           | 56,168                   | (136,529)                           | 34,735              | -                    |
| Land Information Program Training & Education Grant          | 505.173           | Direct Program      | Unknown                                | 3,480                             | 1,000                    | (4,480)                             | -                   | -                    |
| Land Information Program Strategic Initiative Grant          | 505.173           | Direct Program      | AD169087                               | (16,722)                          | 75,000                   | -                                   | 58,278              | -                    |
| Total Land Information Grant                                 |                   |                     |  | 101,854                           | 132,168                  | (141,009)                           | 93,013              | -                    |
| Public Benefits - Low Income Energy Assistance Program       | 505.371           | Direct Program      | AD1599972.35                           | (11,630)                          | 30,454                   | -                                   | 18,824              | 18,824               |
| Public Benefits - Low Income Energy Assistance Program       | 505.371           | Direct Program      | AD1599973.35                           | -                                 | 8,509                    | 10,741                              | 19,250              | 19,250               |
| Total Public Benefits - Low Income Energy Assistance Program |                   |                     |  | (11,630)                          | 38,963                   | 10,741                              | 38,074              | 38,074               |
| Total Department of Administration                           |                   |                     |  | 90,224                            | 171,131                  | (130,268)                           | 131,087             | 38,074               |
| <b>TOTAL STATE PROGRAMS</b>                                  |                   |                     |  | <u>\$ (463,542)</u>               | <u>\$ 1,915,990</u>      | <u>\$ 70,490</u>                    | <u>\$ 1,522,938</u> | <u>\$ 38,074</u>     |

The notes to the schedule of expenditures of state awards are an integral part of this schedule.

# Lincoln County, Wisconsin

## NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

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### **NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedules of Expenditures of Federal and State Awards for the County are presented in accordance with the 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.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of the County. Because the schedules present only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

### **NOTE 2: 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 2017 fund 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 unearned 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 year's ending balances.

The County has not elected to charge a de minimis rate of 10% of modified total costs.

### **NOTE 3: 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 4: TITLE 19 MEDICAL ASSISTANCE PAYMENTS**

The Schedules of Expenditures of Federal and State Awards do not include amounts received by the County for Title 19 Medical Assistance programs. The payments are considered a contract for services between the State and the County and therefore are not reported as federal or state awards.

### **NOTE 5: PASS THROUGH ENTITIES**

Federal awards have been passed through the following entities:

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 DOT - Wisconsin Department of Transportation

### **NOTE 6: STATE DIRECT PAYMENTS**

Payments made directly to recipients and vendors by the State of Wisconsin under the FoodShare Wisconsin program on behalf of the County are not included in the Schedules of Expenditures of Federal and State Awards.

# Lincoln County, Wisconsin

## NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2017

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### **NOTE 7: STATE OF WISCONSIN COMMUNITY AIDS REPORTING SYSTEM**

The Wisconsin Departments of Health Services (DHS) and Children and Families (DCF) utilize the Community Aids Reporting System (CARS) and the System for Payments and Reports of Contracts (SPARC) for reimbursing the County for various federal and state program expenditures. The expenditures reported on the Schedules of Expenditures of Federal and State Awards for various DHS & DCF programs agree with the expenditures reported on the May 2018 CARS for the Human Services and Public Health Departments, and the December 2017 SPARC for Child Support and Child Care programs.

# Lincoln County, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### 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

|   |            |
|---|------------|
| 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 Uniform Guidance?                          | Yes        |
| Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ? | Yes        |

#### Identification of major federal programs:

| CFDA Number | Name of Federal Program   |
|-------------|---------------------------|
| 93.563      | Child Support Enforcement |

#### Identification of major state programs:

| State ID Number | Name of State Programs             |
|-----------------|------------------------------------|
| 115.15          | County Staff and Support           |
| 437.3413        | JJ Youth Aids                      |
| 437.7502        | CS State GPR/PR Funding Allocation |

#### 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 FOR THE YEAR ENDED DECEMBER 31, 2017

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### SECTION II - 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, 2017.

### SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS


| FINDING NO.             | UNIFORM GUIDANCE AND <i>STATE SINGLE AUDIT GUIDELINES</i> FINDINGS  |
|-------------------------|---|
| 2017-001                | <b>Uniform Grant Guidance Implementation</b><br>Repeat of Finding 2016-001<br><i>Federal CFDA - All</i>   |
| Compliance Requirement: | Allowable costs/costs principles, cash management, procurement, reporting.  |
| Criteria:               | 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 2017 in developing additional grant specific documentation within County departments. |
| Condition:              | Uniform Guidance requires the County to maintain certain policies related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards and 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 2017 audit in accordance with 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 2018 fiscal year.  |

# Lincoln County, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2017

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### SECTION IV - OTHER ISSUES

- |  |  |
|--|--|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?   | No   |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> ? |  |
| Department of Agriculture, Trade and Consumer Protection   | Yes  |
| Department of Natural Resources  | Yes  |
| Department of Transportation   | Yes  |
| Department of Health Services  | Yes  |
| Department of Children and Families  | Yes  |
| Department of Justice  | Yes  |
| Department of Military Affairs   | Yes  |
| Department of Administration   | Yes  |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?  | Yes  |
| 4. Name and signature of partner   |  |
|  | David L. Maccoux, CPA  |
| 5. Date of report  | September 27, 2018   |

# Lincoln County, Wisconsin

## SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN FOR THE YEAR ENDED DECEMBER 31, 2017

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### PRIOR YEAR AUDIT FINDINGS

The findings noted in the 2016 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:

| <u>Finding No.</u> | <u>Prior Year Audit Finding</u>   |
|--------------------|---|
| <b>2016-001</b>    | <b>Uniform Grant Guidance Implementation</b><br><br>County departments continue to increase grant specific documentation during 2017; however, a County-wide policies and procedures manual has not been finalized. |
| <b>2016-002</b>    | <b>Disbursement Approval Procedures - Social Services Department</b><br><br>The County implemented approval procedures during 2017 which eliminated the finding.  |

### CORRECTIVE ACTION PLAN

| <u>Finding No.</u> | <u>Corrective Action Plan</u>  |
|--------------------|--|
| <b>2017-001</b>    | <b>Uniform Grant Guidance Implementation</b><br><br>County departments will continue to develop grant specific internal control policies and procedures during 2018, which will be formalized into a County-wide policies and procedures manual. |



## ADDITIONAL INDEPENDENT AUDITORS' REPORT

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## 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 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, (the "County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 13, 2018.

### **INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the County'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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 the County'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 the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

Green Bay, Wisconsin  
August 13, 2018