

Lincoln County, Wisconsin
FEDERAL AND STATE AWARDS REPORT

December 31, 2018



Lincoln County, Wisconsin

DECEMBER 31, 2018

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FEDERAL AND STATE AWARDS

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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, 2018. 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, the 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, 2018.

OTHER MATTERS

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The County's responses to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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 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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001, 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 findings and questioned costs. 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.

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.

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated September 12, 2019, 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 is presented for purposes of additional analysis as required by the Uniform Guidance and the *State Single Audit Guidelines* and is 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 12, 2019



FEDERAL AND STATE AWARDS



Lincoln County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 11/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
U.S. DEPARTMENT OF AGRICULTURE								
SNAP Cluster								
State Administrative Matching Grants for Food Stamp Program	10.561	Wood County	277	\$ (1,280)	\$ 1,280	\$ -	\$ -	\$ -
State Administrative Matching Grants for Food Stamp Program	10.561	Wood County	284	(21,076)	115,376	24,527	118,827	-
Total SNAP Cluster				(22,356)	116,656	24,527	118,827	-
U.S. DEPARTMENT OF TRANSPORTATION								
Highway Planning and Construction Cluster								
National Recreational Trails Program	20.219	WI DNR	RTA-742-14	(6,782)	6,772	-	(10)	-
National Recreational Trails Program	20.219	WI DNR	RTP-858-17M	(6,782)	-	24,323	24,323	-
Total Highway Planning and Construction Cluster				(13,564)	6,772	24,323	24,313	-
Highway Safety Cluster								
State and Community Highway Safety	20.600	WI DOT	FG-2016-LINCOLN-03608	-	2,922	-	2,922	-
Total U.S. Department of Transportation				(6,782)	9,694	24,323	27,235	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Public Health Emergency Preparedness								
Public Health Emergency Preparedness	93.069	WI DHS	155015	-	31,310	5,328	36,638	-
Public Health Emergency Preparedness	93.069	WI DHS	155050	-	2,716	-	2,716	-
Total Public Health Emergency Preparedness				-	34,026	5,328	39,354	-
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements								
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by the Prevention and Public Health Fund (PPHF)	93.074	WI DHS	155015	(12,459)	12,459	-	-	-
Promoting Safe and Stable Families	93.539	WI DHS	155020	-	7,704	1,261	8,965	-
	93.556	WI DCF	3306	(12,105)	47,524	5,833	41,352	-
TANF Cluster								
Temporary Assistance for Needy Families	93.558	WI DCF	3377	(11,134)	11,134	-	-	-
Temporary Assistance for Needy Families	93.558	WI DCF	3380	(374)	374	-	-	-
Temporary Assistance for Needy Families	93.558	Vilas County	852	(18,672)	18,672	-	-	-
Temporary Assistance for Needy Families	93.558	WI DCF	3612	(4,299)	9,393	-	5,094	-
Temporary Assistance for Needy Families	93.558	WI DCF	3622	-	(2,455)	-	(2,455)	-
Total TANF Cluster				(34,479)	37,118	-	2,639	-
Child Support Enforcement (Title IV-D)								
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7477	(35,807)	214,910	83,413	262,516	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7482	537	(3,145)	(624)	(3,232)	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7506	377	(105)	49	321	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7558	-	3,715	-	3,715	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7616	-	57,371	3,258	60,629	-
Total Child Support Enforcement (Title IV-D)				(34,893)	272,746	86,096	323,949	-
Low Income Home Energy Assistance								
Low Income Home Energy Assistance	93.568	WI DOA	AD1598973.35	(13,974)	42,305	-	28,331	28,331
Low Income Home Energy Assistance	93.568	WI DOA	AD1598974.35	-	42,305	11,090	11,090	11,090
Total Low Income Home Energy Assistance				(13,974)	84,610	11,090	39,421	39,421
CCDF Cluster								
Child Care and Development Block Grant	93.575	WI DCF	831	-	4,074	752	4,826	-
Child Care and Development Block Grant	93.575	Vilas County	852	-	88,900	34,481	123,381	-
Total Child Care and Development Block Grant				-	92,974	35,233	128,207	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	WI DCF	831	(1,263)	1,263	-	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	Vilas County	852	(18,672)	18,672	-	-	-
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund				(19,935)	19,935	-	-	-
Total CCDF Cluster				(19,935)	112,909	35,233	128,207	-
Grants to States for Access and Visitation Programs								
Adoption and Legal Guardianship Incentive Payments	93.597	WI DCF	7332	-	18,850	2,193	21,043	-
	93.603	WI DCF	3394A	-	-	620	620	-
Stephanie Tubbs Jones Child Welfare Services Program								
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3413	(522)	3,614	-	3,092	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3661	-	17,772	-	17,772	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3681	-	1,422	-	1,422	-
Total Stephanie Tubbs Jones Child Welfare Services Program				(522)	22,808	-	22,286	-

Lincoln County, Wisconsin

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/Federal Program Title	CFDA Number	Pass-Through Agency	Pass-Through Entity Identifying Number	(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
Foster Care (Title IV-E)	93.658	WI DCF	3396	-	48	-	48	-
Foster Care (Title IV-E)	93.658	WI DCF	3413	(936)	6,481	-	5,545	-
Foster Care (Title IV-E)	93.658	WI DCF	3661	-	199,462	-	199,462	-
Foster Care (Title IV-E)	93.658	WI DCF	3681	-	15,963	-	15,963	-
Foster Care (Title IV-E)	93.658	WI DCF	3344B	-	6,179	2,204	8,383	-
Total Foster Care (Title IV-E)				(936)	228,113	2,204	229,381	-
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance (PPHF)	93.733	WI DHS	155032	(2,200)	2,200	-	-	-
Preventive Health and Health Services Block Grant	93.758	WI DHS	159220	-	11,570	-	11,570	-
Preventive Health and Health Services Block Grant	93.758	WI DHS	155800	-	16	-	16	-
Total Preventive Health and Health Services Block Grant				-	11,586	-	11,586	-
Children's Health Insurance Program	93.767	Wood County	277	(168)	168	-	-	-
Children's Health Insurance Program	93.767	Wood County	284	(2,794)	14,938	3,450	15,303	-
Total Children's Health Insurance Program				(2,962)	15,106	3,159	15,303	-
Medicaid Cluster								
Medical Assistance Program	93.778	Wood County	277	(1,656)	1,656	-	-	-
Medical Assistance Program	93.778	Wood County	284	(28,733)	148,862	31,245	151,374	-
Medical Assistance Program	93.778	Wood County	Unknown	(9,497)	9,497	-	-	-
Total Medicaid Cluster				(39,886)	160,015	31,245	151,374	-
Maternal and Child Health Services Block Grant to the States	93.994	WI DHS	159320	-	13,134	-	13,134	-
Total U.S. Department of Health and Human Services				(174,351)	1,038,603	184,362	1,048,614	39,421
U.S. DEPARTMENT OF HOMELAND SECURITY								
Emergency Management Performance Grants	97.042	WI DMA	EMPG-WI-2017-C8335	(20,466)	32,246	21,726	33,506	-
Pre-Disaster Mitigation Program	97.047	WI DMA	PDMC-PL-05-WI-2015-002	(7,500)	7,500	-	-	-
Total U.S. Department of Homeland Security				(27,966)	39,746	21,726	33,506	-
TOTAL FEDERAL AWARDS				\$ (231,455)	\$ 1,204,699	\$ 254,938	\$ 1,228,182	\$ 39,421

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, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through/ State Entity Identifying Number	(Accrued) Deferred Revenue 11/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION								
County Staff and Support	115.15	Direct Program	Unknown	\$ (81,839)	\$ 81,839	\$ 89,232	\$ 89,232	\$ -
LWRM Plan Implementation Projects	115.40	Direct Program	Unknown	(19,788)	61,813	-	42,025	-
Total Department of Agriculture, Trade and Consumer Protection				(101,627)	143,652	89,232	131,257	-
DEPARTMENT OF NATURAL RESOURCES								
Venison Processing Grant	370.549	Direct Program	Unknown	(650)	650	-	-	-
Boating Enforcement	370.550	Direct Program	Unknown	(19,060)	14,215	10,617	5,782	-
ATV Enforcement	370.551	Direct Program	Unknown	(28,009)	36,177	28,347	36,515	-
Snowmobile Enforcement	370.552	Direct Program	Unknown	(6,328)	-	966	(5,362)	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	Unknown	(5,615)	17,656	16,501	28,542	-
County Conservation Aids	370.563	Direct Program	N/A	(2,446)	4,892	-	2,446	-
County Fish, Wildlife & Forestry	370.564	Direct Program	N/A	3,653	4,727	-	8,380	-
County Forest Administration	370.572	Direct Program	S-4683	-	54,765	-	54,765	-
Recreational Aids - Snowmobile Trail and Area Aid								
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-4738	(5,734)	5,734	-	-	-
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-4924	(27,800)	27,800	-	-	-
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-5038	46,950	69,053	21,508	137,511	-
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-5082	21,605	-	2,172	23,777	-
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-5238	-	43,560	(43,560)	-	-
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-5275	-	15,989	(15,989)	-	-
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-5295	-	3,752	(3,752)	-	-
Total Recreational Aids - Snowmobile Trail and Area Aid				35,021	165,888	(39,621)	161,288	-
All-Terrain Vehicle (ATV) Program								
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3218	(12,690)	27,896	-	15,206	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3485T	(143)	431	-	288	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3618	(8,961)	16,748	-	7,787	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3665	11,032	11,032	-	22,064	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3815	-	16,748	16,748	33,496	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3855	-	11,022	(11,022)	-	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3902	-	15,989	(15,989)	-	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-3903	-	3,752	(3,752)	-	-
Total All-Terrain Vehicle (ATV) Program				(10,762)	103,618	(14,015)	78,841	-
Total Department of Natural Resources								
				(34,186)	402,588	2,795	371,197	-
DEPARTMENT OF TRANSPORTATION								
Elderly and Handicapped Transportation Aids	395.101	Direct Program	Unknown	69,346	79,958	(48,861)	120,532	-
DEPARTMENT OF HEALTH SERVICES								
Seal-a-Smile	435.152	WI Association of Local Health Departments and Boards	Unknown	(897)	9,262	2,638	11,003	-
IMAA State Share ACA	435.276	Wood County	276	(3,125)	3,125	-	-	-
IMAA Federal Share ACA	435.277	Wood County	277	(21)	21	-	-	-
IMAA State Share	435.283	Wood County	283	(29,334)	149,346	31,214	151,226	-
IMAA Federal Share	435.284	Wood County	284	(607)	607	-	-	-
Enhanced IM Funding	435.468	Wood County	N/A	-	51,390	25,582	76,972	-
COMM DISEASE CTRL & PREV	435.155600	WI DHS	155900	-	3,784	-	3,784	-
Cons Contracts CHHD LD	435.157720	WI DHS	157720	(780)	3,034	1,358	3,612	-
Total Department of Health Services				(34,764)	220,569	60,792	246,597	-

Lincoln County, Wisconsin

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through/ State Entity Identifying Number	(Accrued) Deferred Revenue 1/1/18	Cash Received (Refunded)	Accrued (Deferred) Revenue 12/31/18	Total Expenditures	Subrecipient Payment
DEPARTMENT OF CHILDREN AND FAMILIES								
Food Stamp Agency Incentives	437.965	Direct Program	965	(296)	4,268	122	4,094	-
Medicaid Agency Incentives	437.980	Direct Program	980	(170)	2,264	159	2,253	-
Kinship Care Program - Benefits	437.3377	Direct Program	3377	-	71,835	37,398	109,233	-
JJ Youth Justice Innovation Grants 2018-19	437.3380	Direct Program	3380	-	5,194	4,286	9,490	-
Community Intervention Program	437.3407	Direct Program	3407	(8,303)	4,157	7,395	11,552	-
Youth Aids Early Intervention	437.3410	Direct Program	3410	(10,291)	21,527	2,950	16,174	-
Youth Aids	437.3412	Direct Program	3412	(58,552)	11,055	11,848	12,612	-
Basic County Allocation	437.3413	Direct Program	3413	-	405,334	-	346,782	-
State County Match	437.3561	Direct Program	3561	-	203,916	-	203,916	-
Mobility Support Liability Incentive	437.3681	Direct Program	3681	(1,786)	18,310	-	16,310	-
Child Support Activities	437.7332	Direct Program	N/A	-	1,786	-	99,727	-
Child Support Medical Support	437.7502	Direct Program	N/A	-	39,727	-	1,818	-
Child Support - Federal Parent Locator Services	437.7903	Direct Program	N/A	241	(1,006)	(255)	(1,020)	-
Total Department of Children and Families				(79,157)	788,185	63,913	772,941	-
DEPARTMENT OF JUSTICE								
Victim Witness Cluster	455.532	Direct Program	N/A	(17,951)	33,341	18,330	33,720	-
DEPARTMENT OF MILITARY AFFAIRS								
Emergency Training Grant Program	465.337	Direct Program	N/A	(5,733)	7,587	5,648	7,502	-
Computer and Hazmat Equipment	465.367	Direct Program	N/A	(1,153)	1,154	9,130	9,131	-
Total Department of Military Affairs				(6,886)	8,741	14,778	16,633	-
DEPARTMENT OF ADMINISTRATION								
Land Information Grant	505.166	Direct Program	AD169028	136,529	52,944	(148,279)	41,194	-
Land Information Program Training & Education Grant	505.166	Direct Program	Unknown	4,480	1,000	(5,480)	-	-
Land Information Program Strategic Initiative Grant	505.166	Direct Program	AD169087	-	25,000	25,000	50,000	-
Total Land Information Grant				141,009	78,944	(128,759)	91,194	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1598973.35	(10,741)	20,577	-	9,836	9,836
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	AD1598974.35	-	-	20,219	20,219	20,219
Total Public Benefits - Low Income Energy Assistance Program				(10,741)	20,577	20,219	30,055	30,055
Total Department of Administration				130,268	99,521	(108,540)	121,249	30,055
TOTAL STATE PROGRAMS				(74,957)	\$ 1,776,555	\$ 92,439	\$ 1,814,126	\$ 30,055

(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 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, 2018

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 2018 fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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 Health and Human Services

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 recorded revenues 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:

GWAAR - Greater Wisconsin Agency on Aging Resources

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 DOT - Wisconsin Department of Transportation

Lincoln County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

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.

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 2019 CARS for the Human Services and Public Health Departments, and the December 2018 SPARC for Child Support and Child Care programs.

Lincoln County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

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 2 CFR 200.516(a)? No

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? Yes

Identification of major federal program:

CFDA Number	Name of Federal Program
93.563	Child Support Enforcement

Identification of major state programs:

State ID Number	Name of State Programs
115.40	LWRM Plan Implementation
370.574 & 370.575	Snowmobile Trail Aids
437.3561	Basic county Allocation
437.3681	State/county Match
437.7502	Child Support GPR

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, 2018

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, 2018.

SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

FINDING NO.	STATE SINGLE AUDIT GUIDELINES FINDING
2018-001	Procurement Information Not Tracked <i>Federal CFDA - Various programs passed through the Wisconsin Departments of Health Services and Wisconsin Department of Children and Families</i> <i>State ID - Various programs passed through the Wisconsin Departments of Health Services and Wisconsin Department of Children and Families</i>
Compliance Requirement:	State General Requirements: Procurement, Purchase of Service Contracts
Criteria:	The Social Services Department contracts with various vendors to provide services on behalf of the County. The Wisconsin Department of Health Services (DHS) and Wisconsin Department of Children and Families (DCF), have various requirements associated with these contracts. The Department must follow and document the federal procurement process, review the vendor to ensure they are not suspended or debarred from receiving federal funds, obtain licenses, civil rights plan, and liability insurance, track payments and obtain amendments is required, and if the County exceeds a certain threshold in payments the County must obtain and review the vendor's annual financial audit.
Condition:	Our review noted that the Social Services Department had contracted with various contractors through the Purchase of Service contracts, however the Department current procedures do not monitor vendor payments to determine if contract amendments are needed, if an annual financial audit is needed to be provided by the vendor, or documentation supporting the County's review of the vendor to ensure they are not suspended or debarred.
Cause:	The Department did not have procedures in place to properly track payments made to vendors and document procedures over verifying that a vendor is not suspended or debarred.
Effect:	The County could overspend fixed contract amounts, make payments to vendors who are suspended or debarred as well as not obtain financial audits as required by State Statutes.
Context:	The County entered into nineteen purchase of service contracts during 2018 and we tested the related procedures and controls over three..
Questioned Costs:	None
Repeat Finding:	No
Recommendation:	We recommend the Social Services Department establish a policy and implement procedures to ensure compliance with the requirements of state and federal single audit guidelines.
View of Responsible Officials:	Refer to the management response per the correction action plan.

Lincoln County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

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 *State Single Audit Guidelines*:
 - Department of Agriculture, Trade and Consumer Protection No
 - Department of Safety and Professional Services No
 - Department of Natural Resources No
 - Department of Transportation No
 - Department of Health Services Yes
 - Department of Children and Families Yes
 - Department of Justice No
 - Department of Military Affairs No
 - Department of Administration No

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 12, 2019

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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 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 12, 2019. The financial statements of the Pine Crest Nursing Home enterprise fund were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Pine Crest Nursing Home enterprise fund.

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.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
September 12, 2019