

# Lincoln County, Wisconsin

## FEDERAL AND STATE AWARDS REPORT

December 31, 2021



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# Lincoln County, Wisconsin

DECEMBER 31, 2021

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## Table of Contents

### **FEDERAL AND STATE AWARDS**

Independent Auditors' Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance , and Report on the Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards Required by the Uniform Guidance and the <i>State Single Audit Guidelines</i>	1
Schedule of Expenditures of Federal Awards	5
Schedule of Expenditures of State Awards	7
Notes to the Schedule of Expenditures of Federal and State Awards	9
Schedule of Findings and Questioned Costs	11

### **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 <i>Government Audit Standards</i>	17
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND THE SCHEDULE OF EXPENDITURES OF STATE AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES**

County Board  
Lincoln County, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Lincoln County, Wisconsin's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of Lincoln County, Wisconsin's major federal and state programs for the year ended December 31, 2021. Lincoln County, Wisconsin's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lincoln County, Wisconsin complied, in all material respects, with the 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, 2021.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and 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 *State Single Audit Guidelines*. Our responsibilities under those standards, the Uniform Guidance and the *State Single Audit Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lincoln County, Wisconsin and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Lincoln County, Wisconsin's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Lincoln County, Wisconsin's federal and state programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lincoln County, Wisconsin's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and *State Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lincoln County, Wisconsin's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and *State Single Audit Guidelines*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lincoln County, Wisconsin's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Lincoln County, Wisconsin's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County, Wisconsin's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003, to be significant deficiencies.

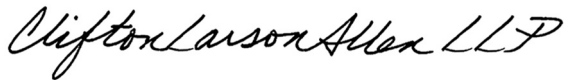
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Lincoln County, Wisconsin's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Lincoln County, Wisconsin's response was not subjected to the other 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 *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards Required by the Uniform Guidance and 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, 2021, and have issued our report thereon dated July 25, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of expenditures of 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 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state awards are fairly stated in all material respects in relation to the financial statements as a whole.



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
September 20, 2022

# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Total Expenditures	Subrecipient Payment
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
SNAP Cluster					
State Administrative Matching Grants for Food Stamp Program	10.561	Wood County	284	\$ 149,091	\$ -
Sustainable Agriculture Research and Education	10.215	The University of Wisconsin - Madison	2017-38640-26916	1,500	-
Total U.S. Department of Agriculture				150,591	-
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>					
Highway Planning and Construction Cluster					
National Recreational Trails Program	20.219	WI DNR	RTP-969-19D	10,981	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	WI DOT	2020-20-05-OP	53,910	-
Total U.S. Department of Transportation				64,891	-
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
Public Health Emergency Preparedness	93.069	WI DHS	155015	42,952	-
Environmental Public Health and Emergency Response	93.070	WI DHS	155078	1,192	-
Immunization Cooperative Agreements	93.268	WI DHS	155020	8,675	-
COVID 19 - Immunization Cooperative Agreements	93.268	WI DHS	155809	14,322	-
Total Immunization Cooperative Agreements				22,997	-
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	WI DHS	155802	15,000	-
COVID 19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	WI DHS	155806	295,410	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				310,410	-
COVID 19 - Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	WI DHS	155129	40,683	-
COVID 19 - Provider Relief Funds	93.498	Direct Program	N/A	124,414	-
Promoting Safe and Stable Families	93.556	WI DCF	3306	42,827	-
COVID 19 - Promoting Safe and Stable Families	93.556	WI DCF	3306C	2,404	-
Total Promoting Safe and Stable Families				45,231	-
TANF Cluster					
Temporary Assistance for Needy Families	93.558	WI DCF	3632	43,870	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7332F	(7,598)	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7332R	11,513	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7477	285,885	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7482	(4,044)	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7506	2,399	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7560	1,654	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7619	61,412	-
Child Support Enforcement (Title IV-D)	93.563	WI DCF	7618C	593	-
Total Child Support Enforcement (Title IV-D)				351,814	-

# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

Grantor Agency/Federal Program Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Entity Identifying Number	Total Expenditures	Subrecipient Payment
CCDF Cluster					
Child Care and Development Block Grant	93.575	WI DCF	831	11,986	-
Child Care and Development Block Grant	93.575	Vilas County, WI	852	156,193	-
Total Child Care and Development Block Grant				168,179	-
Children's Justice Grants to States	93.643	WI DOJ	2018-CJA-04 16201	15,000	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3413	3,299	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3561	11,666	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	WI DCF	3681	935	-
Total Stephanie Tubbs Jones Child Welfare Services Program				15,900	-
Foster Care (Title IV-E)	93.658	WI DCF	3396	600	-
Foster Care (Title IV-E)	93.658	WI DCF	3413	5,916	-
Foster Care (Title IV-E)	93.658	WI DCF	3561	263,138	-
Foster Care (Title IV-E)	93.658	WI DCF	3604	2,621	-
COVID 19 - Foster Care (Title IV-E)	93.658	WI DCF	3619	4,030	-
Foster Care (Title IV-E)	93.658	WI DCF	3681	21,082	-
Total Foster Care (Title IV-E)				297,387	-
Children's Health Insurance Program	93.767	Wood County, WI	284	19,500	-
Medicaid Cluster					
Medical Assistance Program	93.778	Wood County, WI	284	200,349	-
Preventive Health and Health Services Block Grant	93.991	WI DHS	159220	11,156	-
Maternal and Child Health Services Block Grant to the States	93.994	WI DHS	159320	12,788	-
Total U.S. Department of Health and Human Services				1,723,822	-
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>					
Emergency Management Performance Grants	97.042	WI DMA	2021-EMPG-01-12049	17,436	-
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 1,956,740</b>	<b>\$ -</b>

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



# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through/ State Entity Identifying Number	Total Expenditures	Subrecipient Payment
<b>DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION</b>					
County Staff and Support	115.15	Direct Program	n/a	\$ 99,277	\$ -
LWRM Plan Implementation Projects	115.40	Direct Program	n/a	40,055	-
Total Department of Agriculture, Trade and Consumer Protection				139,332	-
<b>DEPARTMENT OF NATURAL RESOURCES</b>					
Venison Processing Grant	370.549	Direct Program	n/a	159	-
Boating Enforcement	370.550	Direct Program	n/a	6,165	-
ATV Enforcement	370.551	Direct Program	n/a	28,434	-
Snowmobile Enforcement	370.552	Direct Program	n/a	1,650	-
Wildlife Damage Abatement and Claims	370.553	Direct Program	n/a	24,148	-
County Conservation Aids	370.563	Direct Program	CC19-35WM	1,905	-
County Fish, Wildlife & Forestry	370.564	Direct Program	2021 LINCOLN CO FWHIG	5,395	-
County Forest Administration	370.572	Direct Program	2021CFADMINGRANT	91,501	-
Recreational Aids - Snowmobile Trail and Area Aid					
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-5498	91,500	-
Snowmobile Trail Aids	370.574 & 370.575	Direct Program	S-5570	8,344	-
Total Recreational Aids - Snowmobile Trail and Area Aid				99,844	-
All-Terrain Vehicle (ATV) Program					
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-4216	15,612	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-4256	23,312	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-4275T	(65)	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-4295	16,687	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-4346	33,523	-
All-Terrain Vehicle Trails	370.576	Direct Program	ATV-4407T	250	-
Total All-Terrain Vehicle (ATV) Program				89,319	-
Total Department of Natural Resources				348,520	-
<b>DEPARTMENT OF TRANSPORTATION</b>					
Elderly and Handicapped Transportation Aids	395.101	Direct Program	n/a	88,277	-
<b>DEPARTMENT OF HEALTH SERVICES</b>					
IMAA State Share	435.283	Wood County, WI	283	174,018	-
IMAA Federal Share	435.284	Wood County, WI	284	2,489	-
Enhanced IM Funding	435.468	Wood County, WI	468	114,159	-
Comm Disease Ctrl & Prev	435.155800	WI DHS	155800	3,800	-
Cons Contracts CHHD LD	435.157720	WI DHS	157720	3,657	-
Total Department of Health Services				298,123	-

# Lincoln County, Wisconsin

## SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

Grantor Agency/State Program Title	State I.D. Number	Pass-Through Agency	Pass-Through/ State Entity Identifying Number	Total Expenditures	Subrecipient Payment
<b>DEPARTMENT OF CHILDREN AND FAMILIES</b>					
Food Stamp Agency Incentives	437.0965	Direct Program	965	5,194	-
Medicaid Agency Incentives	437.0980	Direct Program	980	6,297	-
Kinship Care Program - Benefits	437.3377B	Direct Program	3377A	43,313	-
Kinship Care Program - Benefits	437.3377A	Direct Program	3377B	77,020	-
Kinship Care Program - Assessment	437.3380A	Direct Program	3380A	1,825	-
Kinship Care Program - Assessment	437.3380B	Direct Program	3380B	10,668	-
Community Intervention Program	437.3410	Direct Program	3410	22,982	-
Youth Aids	437.3413	Direct Program	3413	369,982	-
Basic County Allocation	437.3561	Direct Program	3561	314,398	-
State County Match	437.3681	Direct Program	3681	25,189	-
Child Support Additional Funding	437.7335	Direct Program	7335	11,450	-
Child Support Activities	437.7502	Direct Program	7502	41,964	-
Child Support Medical Support	437.7606	Direct Program	7606	2,236	-
Total Department of Children and Families				932,518	-
<b>DEPARTMENT OF JUSTICE</b>					
Victim Witness Cluster	455.532	Direct Program	N/A	38,217	-
<b>DEPARTMENT OF MILITARY AFFAIRS</b>					
Emergency Training Grant Program	465.337	Direct Program	2021-EPCRA-LEPC-01-12050	7,944	-
Computer & Hazmat Response Equipment	465.308	Direct Program	2021-EPCRA-01-12418	5,571	-
Hazmat Training	465.310	Direct Program	HMEP-FED-01-012180-MA-01	8,400	-
Total Department of Military Affairs				21,915	-
<b>DEPARTMENT OF ADMINISTRATION</b>					
Land Information Grant	505.166	Direct Program	AD169028	37,618	-
Land Information Program Training & Education Grant	505.166	Direct Program	Unknown	180	-
Land Information Program Strategic Initiative Grant	505.166	Direct Program	AD219035	15,000	-
Total Land Information Grant				52,798	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	WHEAP21.35	53,333	-
Public Benefits - Low Income Energy Assistance Program	505.371	Direct Program	WHEAP22.18	32,799	-
Total Public Benefits - Low Income Energy Assistance Program				86,132	-
Total Department of Administration				138,930	-
<b>TOTAL STATE PROGRAMS</b>				<b>\$ 2,005,832</b>	<b>\$ -</b>

(1) Victim Witness is a cluster program funded by the following State ID Numbers: 455.503, 455.532, 455.536, 4553537 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, 2021

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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 2021 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. 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 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.

# Lincoln County, Wisconsin

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## **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 DOJ - Wisconsin Department of Justice

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.

## **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 2022 CARS for the Human Services and Public Health Departments, and the December 2021 SPARC for Child Support and Child Care programs.

# Lincoln County, Wisconsin

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

## Section I – Summary of Auditors’ Results

### FINANCIAL STATEMENTS

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
  - Material weakness(es) identified?     x     yes            no
  - Significant deficiency(ies) identified?            yes     x     none reported
3. Noncompliance material to financial statements noted?            yes     x     no

### FEDERAL AWARDS

1. Internal control over major federal programs:
  - Material weakness(es) identified?            yes     x     no
  - Significant deficiency(ies) identified?     x     yes            none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?     x     yes            no

### Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
93.563	Child Support Enforcement
93.778	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?     x     yes            no

# Lincoln County, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2021

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### **State Financial Assistance**

1. Internal control over state projects:

- Material weakness(es) identified?      \_\_\_\_\_ yes            x       no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?            x       yes      \_\_\_\_\_ none reported

2. Type of auditors' report issued on compliance for state projects:

Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with state requirements?

      x       yes      \_\_\_\_\_ no

### **Identification of Major State Projects**

**State ID Number(s)**

115.40

437.3413

**Name of State Project**

LWRM Plan Implementation Projects

Youth Aids

Dollar threshold used to distinguish between Type A and Type B state projects:

\$       250,000

# Lincoln County, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2021

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### SECTION II - FINANCIAL STATEMENT FINDINGS

#### **2021 – 001**

##### Material Adjustments

##### Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

**Condition:** The County recorded a prior period adjustment associated with the timing of sales tax receipts and revenue.

**Criteria or specific requirement:** Material adjustments associated with prior year activity are considered an internal control deficiency.

**Effect:** Year-end financial records prepared by the County may contain material misstatements

**Cause:** The County followed historical practice to ensure twelve months of revenue were reported in each fiscal year.

**Repeat Finding:** No

**Recommendation:** We recommend the County review all its year end accruals for revenue and expenditures to ensure they meet the criteria for recognition including earned and available.

**Views of responsible officials and planned corrective actions:** There is no disagreement with the audit finding. Refer to the management response per the corrective action plan.

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

#### UNIFORM GUIDANCE AND STATE SINGLE AUDIT GUIDELINES FINDINGS

#### **2021 – 002**

##### Reporting – Social Services

State/federal agency: Department of Children & Families, Department of Health Services

State/federal program title: Youth Aids, Medicaid Cluster

State ID/ Assistance Listing Number: 437.3413, 93.778

Award Period: January 1, 2021 – December 31, 2021

##### Type of Finding:

- Significant Deficiency in Internal Control over Compliance

# Lincoln County, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2021

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**Criteria or specific requirement:** The grant claims filed by the County to the various granting agencies must be accurate, reconcile to the County general ledger system, and for cost-reimbursement grants, represent costs incurred. Internal controls should be designed and implemented to prevent and detect errors in the data reported on the grant claims. Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.

**Condition:** There was no review of the reports and claims for reimbursement by someone other than the preparer for grants within the social services department. Accordingly, this does not allow for proper segregation of duties for internal control purposes over reporting compliance requirements.

**Questioned costs:** None

**Context:** While performing audit procedures, it was noted that management does not have internal controls in place to provide and document proper segregation of duties over grant reporting for the social services SPARC and DHS income maintenance grants.

**Cause:** The department and the positions responsible for preparing, reviewing, and approving the report are combined for one person resulting in the missed reporting control requirements.

**Effect:** Information could be mis-keyed or potentially altered if there is no segregation of duties or review of reporting before being sent to the granting agency.

**Repeat finding:** Yes

**Recommendation:** We recommend the County review its written procedures to ensure there are adequate controls over reporting to prevent or detect error.

**Views of responsible officials:** There is no disagreement with the audit finding. Refer to the management response per the corrective action plan.



# Lincoln County, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2021

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### **2021 – 003**

Allowable Costs – Social Services Journal Entries

State agency: Department of Children & Families, Department of Health Services

State program title: Youth Aids, Medicaid Cluster

State ID Number: 437.3413, 93.778

Award Period: January 1, 2021 – December 31, 2021

Type of Finding:

- Significant Deficiency in Internal Control over Compliance

**Criteria or specific requirement:** In order to ensure all costs coded to a grant are accurate and allowable, internal controls should be designed and implemented to prevent and detect errors in the underlying costs and activities. Segregation of duties is an internal control intended to prevent or decrease the occurrence of error or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.

**Condition:** There was no review of the journal entries by someone other than the preparer for grants within the social services department. Accordingly, this does not allow for a proper segregation of duties for internal control purposes over allowable costs and activities compliance requirements.

**Questioned costs:** None

**Context:** While performing audit procedures, it was noted that management does not have internal controls in place to provide and document proper segregation of duties over journal entries coded to certain grant programs for the social services SPARC and income maintenance grants.

**Cause:** The finance staff within the social services department consists of only one person who has responsibility over adjusting the general ledger for the department.

**Effect:** If the County incurred under budgeted costs for the year, the County could receive grant funds it was not entitled to under the grant agreement.

**Repeat finding:** No

**Recommendation:** We recommend the County review its written procedures to ensure there are adequate controls over journal entry reviews.


**Views of responsible officials:** There is no disagreement with the audit finding. Refer to the management response per the corrective action plan.

# Lincoln County, Wisconsin

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2021

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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 *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   
Jon Trautman, CPA
  
5. Date of report September 20, 2022



**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**

County Board  
Lincoln County, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lincoln County, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Lincoln County, Wisconsin's basic financial statements, and have issued our report thereon dated July 25, 2022.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Lincoln County, Wisconsin's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County, Wisconsin's internal control. Accordingly, we do not express an opinion on the effectiveness of Lincoln County, Wisconsin's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**


As part of obtaining reasonable assurance about whether Lincoln County, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

**Lincoln County, Wisconsin's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Lincoln County, Wisconsin's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Lincoln County, Wisconsin's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Wausau, Wisconsin  
July 25, 2022



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