

LINCOLN COUNTY
Merrill, Wisconsin

SINGLE AUDIT REPORT
December 31, 2003



Clifton
Gunderson LLP
Certified Public Accountants & Consultants

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**Clifton
Gunderson LLP**

Certified Public Accountants & Consultants

**Independent Auditor's Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Members of the Lincoln County
Board of Supervisors
Lincoln County
Merrill, Wisconsin

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Lincoln County, Wisconsin, as of and for the year ended December 31, 2003, which collectively comprise Lincoln County, Wisconsin's basic financial statements and have issued our report thereon dated April 22, 2004. In our report we refer to the report of other auditors who have audited the PineCrest Nursing Home, an enterprise fund of the County. We conducted our audit 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.

Internal Control Over Financial Reporting


In planning and performing our audit, we considered Lincoln County, Wisconsin's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted one matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Lincoln County, Wisconsin's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the above reportable condition to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of Lincoln County, Wisconsin, in a separate letter dated April 22, 2004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln County, Wisconsin's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Supervisors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Stevens Point, Wisconsin
April 22, 2004



**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Program, Internal Control
Over Compliance, and Schedule of Expenditures of Federal Awards in Accordance with
OMB Circular A-133**

Members of the Lincoln County
Board of Supervisors
Lincoln County
Merrill, Wisconsin

Compliance

We have audited the compliance of Lincoln County, Wisconsin with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. Lincoln County, Wisconsin's major federal programs are identified in the summary of audit results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Lincoln County, Wisconsin's management. Our responsibility is to express an opinion on Lincoln County, Wisconsin's compliance based on our audit.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 program occurred. An audit includes examining, on a test basis, evidence about Lincoln County, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lincoln County, Wisconsin's compliance with those requirements.

As described in item 03-2 in the accompanying schedule of findings and questioned costs, Lincoln County, Wisconsin did not comply with requirements regarding fiscal records and reporting that are applicable to its Child Support Enforcement program. Compliance with such requirements is necessary, in our opinion, for Lincoln County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, Lincoln County, Wisconsin complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

The management of Lincoln County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Lincoln County, Wisconsin's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Lincoln County, Wisconsin's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 03-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Lincoln County, Wisconsin as of and for the year ended December 31, 2003, and have issued our report thereon dated April 22, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Lincoln County, Wisconsin's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Supervisors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifford Gunderson LLP

Stevens Point, Wisconsin
April 22, 2004

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2003

	<u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
U.S. Department of Administration		
Wisconsin Department of Justice		
Byrne Grant Funds	16.579	\$ 6,864
U.S. Department of the Interior		
Save America's Treasures	15.929	<u>406,967</u>
U.S. Department of Agriculture		
Wisconsin Department of Health and Social Services		
Food Distribution	10.570	32,016
Food stamps	10.561	<u>123,013</u>
Total U.S. Department of Agriculture		<u>155,029</u>
Federal Emergency Management Assistance		
Wisconsin Department of Military Affairs		
Domestic Preparedness Equipment Grant	16.007	80,861
Emergency Management Assistance	83.552	39,907
Supplemental Appropriations Act	83.562	<u>21,205</u>
Total Federal Emergency Management Assistance		<u>141,973</u>
U. S. Department of Education		
Wisconsin Department of Health and Family Services		
Grants for Infants and Toddlers with Disabilities	84.181	33,332
Safe and Stable Families	84.186	<u>3,222</u>
Total U.S. Department of Education		<u>36,554</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
WISCONSIN DEPARTMENT OF HEALTH AND FAMILY SERVICES		
Aging-elder Abuse	93.041	14,489
Aging-Title III-D	93.043	3,493
Aging-Title III-B	93.044	41,274
Aging-Title III-C	93.045	125,724
Aging-Title III-E	93.052	16,762
Abstinence Education	93.235	11,278
Childhood Immunization Grants	93.268	9,272
CDC Investigations and Technical Assistance	93.283	1,973
Family Preservation and Support Services	93.556	27,265
Medical Assistance Program	93.558	95,859
Child Care and Development Block Grant	93.596	374
Social Services Block Grant	93.667	104,246
Youth Independent Living II	93.674	2,208
Medical Assistance	93.778	
Social and Community Services		2,135,699
Public Health		774
Preventive Health and Social Services Block Grant	93.991	6,597
Maternal and Child Health Social Services Block Grant	93.994	13,368

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2003

	<u>CFDA</u>		<u>Expenditures</u>
	<u>Number</u>		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)			
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT			
Block Grants for Temporary Assistance for Needy Families	93.558	\$	207,263
AFDC Agency Incentive	93.560		360
Child Support Enforcement (Title IV-D)	93.563		404,248
Child Care Development Fund	93.596		76,144
Medical assistance	93.778		122,972
WISCONSIN DEPARTMENT OF ADMINISTRATION			
Low-income Home Energy Assistance	93.568		40,627
WISCONSIN DEPARTMENT OF CORRECTIONS			
Child Welfare Services	93.645		14,433
Foster Care (Title IV-E)	93.658		<u>108,336</u>
Total U.S. Department of Health and Human Services			<u>3,585,038</u>
 TOTAL FEDERAL AWARDS			 <u>\$ 4,332,425</u>

This schedule should only be read in connection with the accompanying notes
 to the schedule of expenditures of Federal Awards.

LINCOLN COUNTY, WISCONSIN
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS
December 31, 2003

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards include the federal grant activity of Lincoln County, Wisconsin and is presented on the modified-accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Unless otherwise noted, the County provided matching funds in accordance with the federal requirements. For the year ended December 31, 2003, adequate matching funds were provided for all federal programs presented.

This information is an integral part of the
accompanying schedule.

LINCOLN COUNTY, WISCONSIN
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2003

Section I—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified
 Internal control over financial reporting:
 • Material weakness(es) identified? X yes no
 • Reportable condition(s) identified that are not considered
 to be material weaknesses? yes X none reported
 Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:
 • Material weakness(es) identified? X yes no
 • Reportable condition(s) identified that are not considered
 to be material weakness(es)? yes X none reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of
 OMB Circular A-133? X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.929	Save America's Treasures
93.563	Child Support Enforcement
93.778	Medical Assistance

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? yes X no

**LINCOLN COUNTY, WISCONSIN
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2003**

Section II—Financial Statement Findings

FINDING NO. 03-1. INTERNAL CONTROLS OVER FINANCIAL REPORTING

Finding:

We noted incompatible functions in certain departments for cash receipting and requisition of goods and services, which represent a weakness in the internal control structure due to inadequate segregation of accounting duties.

Recommendation

We recommend the County Board and the various County committees keep this lack of proper segregation in mind when reviewing financial information and in making decisions based upon departmental information.

Response:

The County is in agreement with Clifton Gunderson LLP regarding the lack of proper segregation over certain departments for cash receipting and requisition of goods and services. We want to stress this is due to a limited budget that causes this lack of an adequate number of employees. The County's Board of Supervisors and departmental management are committed to providing accurate and timely information to the appropriate authorities and remaining in compliance with program requirements.

**LINCOLN COUNTY, WISCONSIN
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2003**

Section III—Federal Award Findings and Questioned Costs

FINDING NO. 03-2. INADEQUATE DOCUMENTATION OF EXPENSES FOR CHILD SUPPORT ENFORCEMENT PROGRAM

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
Wisconsin Department of Workforce Development
Child Support Enforcement - CFDA # 93.563
Year ended December 31, 2003**

Finding:

The Lincoln County, Wisconsin Child Support Agency (CSA) was reimbursed 66% of the following costs incurred by the Lincoln County Corporation Counsel (Cooperative Agency) under a cooperative agreement dated December 3, 2002:

Salaries, wages and fringes:		
Assistant Corporation Counsel	\$83,266	
Legal Secretary ^(Note 1)	21,708	
Program Assistant	8,134	
Corporation Counsel	<u>2,602</u>	\$115,710
Occupancy costs		2,826
Telephone		815
Postage		<u>737</u>
Total		<u>\$ 120,088</u>
Reimbursement @ 66%		<u>\$ 79,258</u>

Note 1 - Costs represent 50% of the Legal Secretary. The remaining 50% of the Legal Secretary was charged directly to the Child Support Agency department. Therefore, 100% of this employee cost was claimed under IV-D reimbursement.

The CSA is required to comply with the requirements of 45 CFR 304.21, which states the following:

"The State IV-D agency has discretion with respect to the method of calculating eligible expenditures by courts and law enforcement officials under cooperative agreements. However, any method used must account for specific costs incurred on behalf of cases receiving services under the IV-D State Plan."

LINCOLN COUNTY, WISCONSIN
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2003

Section III—Federal Award Findings and Questioned Costs – (Continued)

FINDING NO. 03-2. (CONTINUED)

For the Assistant Corporate Counsel, we reviewed monthly time summary information that indicated daily hours spent on Child Support matters, however no documentation was included to indicate which cases were handled that were eligible under the IV-D State Plan. Additionally, certain monthly time summaries indicated time was spent on non-Child Support matters, however 100% of the payroll costs were included for Child Care reimbursement by the CSA. No time summary information with specific case files handled were maintained by the Legal Secretary or Program Assistant positions during 2003. We did note that the Program Assistant time was properly documented beginning in early 2004.

Based on the available documentation reviewed above, we were not able to determine the amount of time that was incurred on eligible IV-D cases by the Cooperative Agency.

Recommendation:

1. The CSA should review the 2003 time incurred by the Cooperative Agency and compare information to case files and other available information to determine the amount of ineligible costs submitted for reimbursement under IV-D, and submit corrected reports.
2. The CSA should review the documentation requirements provided under Circular A-87: *Cost Principles for State, Local, Indian Tribe Governments*, and under 45 CFR 304.21, then provide documentation guidance to any interdepartmental staff under a Cooperative Agreement.
3. The CSA should monitor the monthly reports to ensure that only eligible costs are submitted under the IV-D State Plan.

Response:

Lincoln County recognizes the importance of having the Child Support Agency provide proper guidance to the Cooperative Agency concerning appropriate documentation required to support eligible costs. The County also recognizes the need for the Child Support Agency to monitor the monthly reports to ensure that only eligible costs are submitted under the IV-D State Plan.

**LINCOLN COUNTY, WISCONSIN
CORRECTIVE ACTION PLAN AND STATUS OF
PRIOR YEAR AUDIT FINDINGS
December 31, 2003**

CORRECTIVE ACTION PLAN

FINDING NO. 03-1. *INTERNAL CONTROLS OVER FINANCIAL REPORTING*

We will discuss the issue at the Department Head meeting and inform them that in cases where adequate segregation of duties is not possible, the department head is responsible to provide close supervision and review of accounting information to prevent or detect errors and/or irregularities. The goal will be to have the suggested plans for all recommendations implemented by July 1, 2005.

FINDING NO. 03-2. *INADEQUATE DOCUMENTATION OF EXPENSES FOR CHILD SUPPORT ENFORCEMENT PROGRAM*

Lincoln County, through the Administrative and Legislative Committee and the Social Services Committee, have agreed that the appropriate County officials will review the time submitted for reimbursement for child support enforcement activities during 2003 and will propose changes that are appropriate based upon documentation of costs submitted for reimbursement during calendar year 2003.

The appropriate County Committees, in conjunction with the Social Services Director, will establish documentation requirements for submittal of reimbursement amounts for child support enforcement activities. The Child Support Agency will monitor the monthly reports to ensure that only eligible costs are submitted for reimbursement.

This action will be taken over the course of the next two months and a supplemental report will be issued to the Bureau of Child Support for the Wisconsin Department of Workforce Development.

PRIOR YEAR AUDIT FINDINGS

The prior year single audit disclosed no significant findings, and no significant uncorrected, unresolved findings exist from prior single audits.

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major State Financial Assistance Program, Internal Control Over
Compliance, and Schedule of Expenditures of State Awards
in Accordance with the *State Single Audit Guidelines***

Members of the Lincoln County
Board of Supervisors
Lincoln County
Merrill, Wisconsin

Compliance

We have audited the compliance of Lincoln County, Wisconsin with the types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that are applicable to each of its major state programs for the year ended December 31, 2003. Lincoln County, Wisconsin's major state programs are identified in the notes to the schedules of expenditures of state awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Lincoln County, Wisconsin's management. Our responsibility is to express an opinion on Lincoln County, Wisconsin's compliance based on our audit.

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; and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and 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 state program occurred. An audit includes examining, on a test basis, evidence about Lincoln County, Wisconsin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lincoln County, Wisconsin's compliance with those requirements.

In our opinion, Lincoln County, Wisconsin complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with *State Single Audit Guidelines* and which are described in the accompanying schedule of state findings and questioned costs as item 03S-1.

Internal Control Over Compliance

The management of Lincoln County, Wisconsin is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Lincoln County, Wisconsin's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *State Single Audit Guidelines*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of State Awards

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Lincoln County, Wisconsin as of and for the year ended December 31, 2003, and have issued our report thereon dated April 22, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Lincoln County, Wisconsin's basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Supervisors, management and the Wisconsin Department of Administration and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifford Caudle LLP
Stevens Point, Wisconsin
April 22, 2004

LINCOLN COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2003

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2003	Expenditures	Grantor	Reimbursements Local/Other	Adjustments	Accrued or (Deferred) Revenues at December 31, 2003
Department of Agriculture, Trade and Consumer Protection						
	\$ 8,966	\$ 208,561	\$ 61,437	\$ 123,561	\$ -	\$ 32,529
115.15 Soil and Conservation Project Aids	6,422	87,532	30,090	-	-	63,864
115.40 LWRM Plan Implementation						
	15,388	296,093	91,527	123,561	-	96,393
Department of Natural Resources						
370.574 & 370.575 Recreational Aids-Snowmobile Trail and Area Aid	917	22	455	-	(484)	-
2001-2002	(19,325)	69,191	41,726	8,140	-	-
2002-2003	-	12,718	52,596	-	-	(39,878)
2003-2004						
370.553 Wildlife Damage Claims and Abatement	8,881	-	8,881	-	-	-
2002	-	28,835	25,268	-	-	3,567
2003						
370.563 Resource Aids-County Conservation Aids	2,274	2,699	2,471	2,502	-	-
2002						
370.576 All-Terrain Vehicle (ATV) Program	454	-	455	-	1	-
2000-2001	(3,933)	11,749	7,817	-	1	-
2002-2003	-	31,757	31,552	136	-	69
2003-2004						
	(10,732)	156,971	171,221	10,778	(482)	(36,242)
Total Department of Natural Resources						
Department of Corrections						
410.313 Child Welfare Services-State Grant	44,281	386,267	323,037	174	-	107,337

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2003

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2003	Expenditures	Reimbursements		Accrued or (Deferred) Revenues at December 31, 2003
			Grantor	Local/ Other	
	\$	\$	\$	\$	\$
Department of Health and Family Services					
Community Options Program	7,173	272,418	241,950	-	37,641
Medical Assistance Program	7,993	-	7,993	-	-
Medical Assistance Program	852	-	852	-	-
Medical Assistance Program Benefits	22,078	73,660	72,032	-	23,706
State Funded	-	171,119	165,432	-	5,687
State Funded	-	144,074	139,280	-	4,794
State Funded	-	471,649	550,545	-	-
Medical Assistance Program Benefits	78,896	182,042	191,627	-	45,884
Medical Assistance Program	55,469	157,597	154,405	-	39,324
Community Services and Mental Health	36,132	787,487	95,908	691,579	-
CDC Invest and Tech Assistance	-	35,820	35,820	-	-
Lead Poisoning	-	3,657	3,657	-	-
Maternal and Child Health Svc Blk	-	774	774	-	-
Children and Family Incentives	4,270	88,103	91,826	-	547
State Funded	-	9,550	9,550	-	-
Grants for Infants and Toddlers w/Disabilities	-	37,798	37,798	-	-
State Funded	18,191	37,169	41,975	-	13,385
Alzheimers Family and Caregiver Support	2,462	-	2,462	-	-
2002	-	14,138	9,841	-	4,297
2003	-	6,526	6,526	-	-
Senior Community Services	-	-	-	-	-
2003	-	28,215	1,583	-	-
Benefit Specialist-Aging	1,583	-	28,207	-	-
2002	-	-	-	-	-
2003	-	2,521,796	1,890,043	691,579	8
Total Department of Health and Family Services	235,099	2,521,796	1,890,043	691,579	175,273

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2003

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2003	Expenditures	Reimbursements		Adjustments	Accrued or (Deferred) Revenues at December 31, 2003
			Grantor	Local/ Other		
445.315	\$ 44,108	\$ 381,416	\$ 399,094	\$ 2,976	\$ -	\$ 23,454
445.301	-	1,424	696	484	-	244
445.305	179	-	179	-	-	-
445.323	-	323	-	-	-	323
445.328	746	-	746	-	-	-
445.331	-	(2,059)	(1,434)	-	-	(625)
445.334	(14)	(117)	(83)	-	-	(48)
445.338	-	282	251	-	-	31
443.357	(102)	-	(102)	-	-	-
445.367	-	65,504	55,848	1,976	-	7,680
445.368	460	10,743	10,654	-	-	549
445.375	-	3,769	2,871	-	-	898
	<u>45,377</u>	<u>461,285</u>	<u>468,720</u>	<u>5,436</u>	-	<u>32,506</u>

Department of Workforce Development

W-2 Agencies						
Child Support Enforcement						
Child Care Development Fund						
State Use Only						
FS Agency Incentive						
Work Comp Ins Prem-offset						
State Use Only						
State Use Only						
State Use Only						
W-2 offset						
Medical Assistance Program						
W-2 Emergency Assistance						
Total Department of Workforce Development						

Department of Commerce

Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program						
	-	49,351	49,351	-	-	-

Department of Justice

Reimbursement for Victim Witness Services						
2002	14,125	-	14,125	-	-	-
2003	-	40,959	13,444	15,950	-	11,565
Total Department of Justice	<u>14,125</u>	<u>40,959</u>	<u>27,569</u>	<u>15,950</u>	-	<u>11,565</u>

Department of Military Affairs

Emergency Planning Grant Program						
2002	1,799	-	1,799	-	-	-
2003	-	39,907	1,797	32,896	-	5,214
Total Department of Military Affairs	<u>1,799</u>	<u>39,907</u>	<u>3,596</u>	<u>32,896</u>	-	<u>5,214</u>

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2003

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2003	Expenditures	Grantor	Reimbursements Local/ Other	Adjustments	Accrued or (Deferred) Revenues at December 31, 2003
Department of Administration						
505.118	\$ (4,206)	\$ 7,447	\$ 3,241	\$ -	\$ -	\$ -
Land information grants	(7,386)	13,508	-	-	-	6,122
2000	-	600	7,417	-	-	(6,817)
2001	-	6,106	3,956	-	-	2,150
Public Benefits Funds	(11,592)	27,661	14,614	-	-	1,455
Total Department of Administration						
Wisconsin Department of Transportation						
395.101	(51,473)	60,002	51,668	10,935	-	(54,074)
Elderly and handicapped transportation county aids						
2003						
TOTAL STATE PROGRAMS	\$ 282,272	\$ 4,040,292	\$ 3,091,346	\$ 891,309	\$ (482)	\$ 339,427

This schedule should be read only in connection with the accompanying notes to the schedule of expenditures of State awards.

**LINCOLN COUNTY, WISCONSIN
NOTES TO THE SCHEDULES OF EXPENDITURES
OF STATE AWARDS
December 31, 2003**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedules of expenditures of state awards include the state grant activity of Lincoln County, Wisconsin and is presented on the modified-accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of *State Single Audit Guidelines*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Unless otherwise noted, the County provided matching funds in accordance with the state requirements. For the year ended December 31, 2003, adequate matching funds were provided for all state programs presented.

NOTE 2 - STATE MAJOR PROGRAM DEFINITION

State programs reported are those required to be included by the *State Single Audit Guidelines*, published by Wisconsin Department of Administration. State major programs have \$100,000 in qualifying expenditures on a grant (not identification number) basis or have been so designated by state agencies. Major state award programs for Lincoln County, Wisconsin were determined to be the following programs:

Youth Aids	- 410,313
Community Options Program	- 435,367
Brain Injury Waiver	- 435,506
CIP II / COP W	- 435,338
CIP II	- 435,348
Basic County Allocation	- 435,561
CIP IB	- 435,564
AODA Block Grant	- 435,580

NOTE 3 – STATE DIRECT PAYMENTS (UNAUDITED)

Benefits distributed by the State directly to residents of Lincoln County were:

W-2 Benefits (including Child Care)	\$650,439
Food Stamps	664,611

This information is an integral part of the accompanying schedule.

LINCOLN COUNTY, WISCONSIN
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
December 31, 2003

FINDINGS AND QUESTIONED COSTS - MAJOR STATE AWARD PROGRAMS

FINDING NO. 03S-1 *SUBRECIPIENT MONITORING*

Finding:

Various Health and Human Services programs administered by the County's Social Services and Developmental Disabilities Departments receive funding from the Wisconsin Department of Health and Family Services, Department of Workforce Development, Department of Corrections and the Department of Administration. The funding from these departments is allocated to various local agencies (subrecipients) in accordance with purchase of service contracts between the County and the local agencies.

The County's subrecipient monitoring process includes the contract requirement that the local agencies submit annual financial and compliance audit reports to the Social Services and Developmental Disabilities Departments within 180 days after the agency's fiscal year. At the completion of our audit fieldwork at the County, no subrecipient agencies had submitted audit reports for 2003 however, the 180 day time period had not expired. All 2002 reports had been received.

Recommendation:

The County has an excellent monitoring system in place and should continue to pursue submission of audit reports and contact agencies that have not submitted reports within the 180 day time period.

Response:

Lincoln County agrees with the recommendation made by Clifton Gunderson LLP and will continue to monitor sub-recipient reports to be sure all are submitted in accordance with the *State Single Audit Guidelines*.

**LINCOLN COUNTY, WISCONSIN
CORRECTIVE ACTION PLAN AND STATUS OF
PRIOR YEAR STATE AUDIT FINDINGS
December 31, 2003**

CORRECTIVE ACTION PLAN

FINDING NO. 03S-1 *SUBRECIPIENT MONITORING*

Lincoln County will continue to monitor sub-recipient reports to be sure all are submitted in accordance with the *State Single Audit Guidelines*.

PRIOR YEAR AUDIT FINDING

The prior year single audit disclosed no significant findings, and no significant uncorrected, unresolved findings exist from prior single audits.