

LINCOLN COUNTY, WISCONSIN
Merrill, Wisconsin

SINGLE AUDIT REPORT
December 31, 2005



**Clifton
Gunderson LLP**
Certified Public Accountants & Consultants

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**Independent Auditor's 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***

Members of the Lincoln County
Board of Supervisors
Lincoln County, Wisconsin
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, 2005, which collectively comprise Lincoln County, Wisconsin's basic financial statements and have issued our report thereon dated May 1, 2006. 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 05-1.

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 May 1, 2006.

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.

Clifton Gunderson LLP

Milwaukee, Wisconsin
July 28, 2006

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal 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, Wisconsin
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, 2005. 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 items 05-2, 05-3 and 05-4 in the accompanying schedule of findings and questioned costs, Lincoln County, Wisconsin, did not comply with requirements regarding allowable costs that are applicable to its Medical Assistance Program. Compliance with such requirements is necessary, in our opinion, for Lincoln County, Wisconsin 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, 2005.

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 a certain matter involving the internal control over compliance 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 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. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 05-1.

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, 2005, and have issued our report thereon dated May 1, 2006. 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.

Clifton Henderson LLP

Milwaukee, Wisconsin
July 28, 2006

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2005

	<u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
U.S. Department of Administration		
Wisconsin Department of Justice		
Byrne Grant Funds	16.579	\$ <u>3,982</u>
U.S. Department of the Interior		
Save America's Treasures	15.929	<u>10,925</u>
U.S. Department of Agriculture		
Wisconsin Department of Health and Social Services		
Food Distribution	10.570	28,991
Food stamps	10.561	<u>95,160</u>
Total U.S. Department of Agriculture		<u>124,151</u>
U.S. Department of Housing and Urban Development		
Wisconsin Department of Commerce		
Community Development Block Grant	14.228	<u>979</u>
Federal Emergency Management Assistance		
Wisconsin Department of Military Affairs		
Homeland Security Grant	97.004	22,125✓
Emergency Management Performance Grant	97.042	41,360
Pre-Disaster Mitigation Grant	97.047	<u>7,031</u>
Total Federal Emergency Management Assistance		<u>70,516</u>
U. S. Department of Education		
Wisconsin Department of Health and Family Services		
Birth to Three Initiative	84.181	<u>32,970</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	3,553
Aging-Title III-B	93.044	39,501
Aging-Title III-C	93.045	133,296
Aging-Title III-E	93.052	19,617
Childhood Immunization Grants	93.268	7,308
CDC Investigations and Technical Assistance	93.283	32,035
Family Preservation and Support Services	93.556	46,349
Medical Assistance Program	93.558	54,661
Chafee Education and Training Vouchers Program (ETV)	93.599	31
Social Services Block Grant	93.667	108,930
Chafee Foster Care Independence Program	93.674	10,422
Children's Insurance Program	93.767	21,304
Medical Assistance	93.778	
Social and Community Services		2,924,267
Public Health		802
Preventive Health and Social Services Block Grant	93.991	6,597
Maternal and Child Health Social Services Block Grant	93.994	11,908

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2005

	<u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)		
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT		
Child Support Enforcement (Title IV-D)	93.563	366,167
Child Care Development Fund	93.596	41,187
WISCONSIN DEPARTMENT OF ADMINISTRATION		
Low-income Home Energy Assistance	93.568	26,893
WISCONSIN DEPARTMENT OF CORRECTIONS		
Child Welfare Services	93.645	13,998
Foster Care (Title IV-E)	93.658	<u>113,075</u>
Total U.S. Department of Health and Human Services		<u>3,996,390</u>
TOTAL FEDERAL AWARDS		<u>\$ 4,239,913</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, 2005

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes 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, 2005, 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, 2005**

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>
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, 2005**

Section II - Financial Statement Findings

FINDING NO. 05-1. *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, 2005**

Section III - Federal Award Findings and Questioned Costs

FINDING NO. 05-2.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
Wisconsin Department of Health and Family Services
Medical Assistance Program – CIP 1A Federal CFDA 93.778 and State ID 435.580
Year Ended December 31, 2005**

Condition:

The cost rate used for one service exceeded the approved amount noted on the Individual Service Plan (ISP) by \$5 per day for ID # Z0051495. This was a service received daily, every day of the year. The total amount requested above the approved amount totals \$1,825 for a years service.

Criteria:

Only approved amounts for reimbursement are allowed.

Effect of Finding:

County received a reimbursement for more than the allowed amount.

Cause of Finding:

The case worker failed to revise and update the participant's ISP when there was a change in costs from the care provider. The accountant failed to identify the cost requested for reimbursement exceeded the approved amount per the ISP.

Recommendation:

Case workers and the accountant should refer to the ISP approved cost rates for each participant as part of the approval process. Preparing and maintaining a master reference schedule for all participants or placing a copy of the most recent updated ISP for each participant in a consistent place in the client folder could improve controls.

Response:

Lincoln County, Wisconsin recognizes the importance of proper controls for approved reimbursements. The case managers were reminded that all ISPs must be updated when there is a change and a copy of the updated ISP must be turned in to the administration office. The accountant will then bill according to the updated ISP file in the administration office.

**LINCOLN COUNTY, WISCONSIN
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005**

Section III - Federal Award Findings and Questioned Costs (continued)

FINDING NO. 05-3.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
Wisconsin Department of Health and Family Services
*Medical Assistance Program – CIP 1A, CIP 1B and BIW Federal CFDA 93.778 and
State ID435.580, 435.564, and 435.506
Year Ended December 31, 2005***

Condition:

Case workers failed to meet the requirements for monitoring participants.

Criteria:

Noncompliance was noted in both the requirement to have a collateral or client contact at least once per month and to have a client face-to-face contact at least once every three months.

Effect of Finding:

Level of care to participants may be compromised when the required number and types of contact are not met.

Cause of Finding:

Case workers do not closely monitor the contacts with each participant. Additionally, staffing is tight, some of the participants live in geographically dispersed areas that require significant amounts of time to make the contacts, and some of the participants are moved from one care facility to another when medical conditions require attention.

Recommendation:

Case workers should establish a master schedule listing each participant and noting when the required type of contact is made for the compliance requirements of the program.

Response:

The County agrees with the auditor's finding and recommendation. A master schedule has been developed by one of the case managers indicating the type of contact that was made. This schedule is now being used by all case managers to ensure client contacts are meeting the compliance requirements.

**LINCOLN COUNTY, WISCONSIN
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2005**

Section III - Federal Award Findings and Questioned Costs (continued)

FINDING NO. 05-4.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
Wisconsin Department of Health and Family Services
Medical Assistance Program – COP-W Federal CFDA 93.778 and State ID 435.338
Year Ended December 31, 2005**

Condition:

The contract rate for a life-line service was \$20 per month. The billing which was paid and requested for reimbursement was \$31 per month as was the approved amount on the ISP.

Criteria:

The County was paying more than required under the terms of the contract with the service provider.

Effect of Finding:

More cost reimbursement was paid and requested than required under the contract with the service provider.

Cause of Finding:

The contract rate was not updated prior to issuing a new contract.

Recommendation:

All contract rates should be reviewed as contract renewals are made to ensure that the rate in the contract agrees with the amount that is expected.

Response:

Lincoln County, Wisconsin uses two service providers for life-line services. The County has a contract with a local provider but does not have a contract with the other provider. In the future, Lincoln County, Wisconsin will review its relationships with service providers and sign a contract for those services. A copy of that contract will be placed in the client file in order to verify the approved payment.

**LINCOLN COUNTY, WISCONSIN
STATUS OF PRIOR YEAR AUDIT FINDINGS
December 31, 2005**

PRIOR YEAR AUDIT FINDINGS

The finding 04-1 reported in the prior year was still in existence and is reported above as finding 05-1.

The finding 04-2 was resolved with the State of Wisconsin in 2005.



**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major State Award 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, Wisconsin
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, 2005. 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.

As described in items 05-2, 05-3 and 05-4 in the accompanying schedule of federal findings and questioned costs, Lincoln County, Wisconsin, did not comply with requirements regarding allowable costs that are applicable to its Medical Assistance Program. Compliance with such requirements is necessary, in our opinion, for Lincoln County, Wisconsin 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 state programs for the year ended December 31, 2005.

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*.

We noted a certain matter involving the internal control over compliance 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 compliance that, in our judgment, could adversely affect Lincoln County, Wisconsin's ability to administer a major state program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying federal schedule of findings and questioned costs as item 05-1.

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. 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 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, 2005, and have issued our report thereon dated May 1, 2006. 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.

Clifton Gunderson LLP

Milwaukee, Wisconsin
July 28, 2006

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2005

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2005	Expenditures	Grantor	Reimbursements Local/ Other	Adjustments	Accrued or (Deferred) Revenues at December 31, 2005
Department of Agriculture, Trade and Consumer Protection						
Soil and Conservation Project Aids						
Basic Annual Staffing	\$ 32,256	\$ 226,217	\$ 86,321	\$ 141,216	\$ -	\$ 30,936
LWRM Plan Implementation	2,240	144,362	64,653	-	-	81,949
Total Department of Agriculture, Trade and Consumer Protection	34,496	370,579	150,974	141,216	-	112,885
Department of Natural Resources						
Recreational Aids-Snowmobile Trail and Area Aid						
2003-2004	16,763	30,382	47,145	-	-	-
2004-2005	(34,605)	108,802	58,316	-	-	15,881
2005-2006	-	2,703	43,675	-	-	(40,972)
Total Department of Natural Resources	(17,842)	141,887	149,136	-	-	(25,091)
Department of Corrections						
Child Welfare Services-State Grant	44,429	583,426	583,176	141,141	-	(96,462)
Department of Commerce						
Wisconsin Fund Private Sewage System Replacement or Rehabilitation Grant Program	-	38,245	38,245	-	-	-

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2005

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2005	Expenditures	Reimbursements		Adjustments	Accrued or (Deferred) Revenues at December 31, 2005
			Grantor	Local/ Other		
Department of Natural Resources						
370.421	\$ -	\$ -	\$ 89,425	\$ -	\$ -	\$ (89,425)
370.553	18,010	-	18,010	-	-	-
	-	26,645	6,322	-	-	20,323
370.563	-	10,023	4,942	5,081	-	-
370.576	(180)	7,721	7,454	87	-	-
	(12,176)	52,913	17,370	453	246	23,160
	-	25,280	24,713	-	-	567
	5,654	122,582	78,811	5,621	246	44,050
Department of Health and Family Services						
435.367	48,567	281,410	285,240	-	-	44,737
435.342	79,644	122,470	188,061	-	-	14,053
435.283	-	235,413	137,125	98,280	-	8
435.506	6,032	89,439	85,581	-	-	9,890
435.338	-	201,927	201,927	-	-	-
435.348	997	166,307	155,669	-	-	11,635
435.561	-	491,320	464,962	-	-	26,358
435.564	16,996	244,553	237,363	-	-	24,186
435.580	9,564	338,901	229,810	-	-	118,655
435.681	-	317,904	43,159	228,984	-	45,761
435.105	-	16,355	16,230	-	-	125
435.131	-	18,790	16,290	-	-	2,500
435.132	-	1,302	946	-	-	356
435.157720	3,657	3,652	7,309	-	-	-
435.158116	-	600	600	-	-	-
435.158125	-	27,824	27,824	-	-	-
435.158127	-	6,750	6,750	-	-	-
435.159320	803	800	1,603	-	-	-
435.284	-	4,190	3,706	-	-	484
435.291	-	(25,002)	(1,152)	(3,750)	-	(20,100)

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2005

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2005	Expenditures	Reimbursements		Adjustments	Accrued or (Deferred) Revenues at December 31, 2005
			Grantor	Local/Other		
CIP II Community Relocation	\$ -	\$ 1,877	\$ -	\$ -	\$ -	\$ 1,877
Kinship Care Base Benefit	-	42,785	34,583	1,635	-	6,567
Kinship Care Assessments	-	13,041	352	11,635	-	1,054
Grants for Infants and Toddlers w/Disabilities	37,639	39,205	76,844	-	-	-
Family Support Program	45,456	26,137	64,225	-	-	7,368
Program Intergity	-	308	794	-	-	(486)
Voluntary Medical Refunds	-	(559)	-	-	-	(559)
State Funded	-	280	475	-	-	(195)
Health Check	-	2,630	-	-	-	2,630
General Relief Block Grant	-	2,112	2,112	-	-	-
Alzheimers Family and Caregiver Support	-	-	-	-	-	-
2004	3,756	-	3,756	-	-	-
2005	-	12,976	10,317	-	-	2,659
Senior Community Services	-	-	-	-	-	-
2005	-	6,526	6,526	-	-	-
Benefit Specialist-Aging	-	-	-	-	-	-
2004	4,907	-	4,907	-	-	-
2005	-	28,215	23,702	-	-	4,513
Total Department of Health and Family Services	258,018	2,720,438	2,337,596	336,784	-	304,076
Department of Workforce Development						
Child Support Enforcement	-	409	352	-	-	57
State Use Only	(224)	(140)	(331)	-	-	(33)
State Use Only	139	-	139	-	-	-
W-2 offset	8,163	-	8,163	-	-	-
Total Department of Workforce Development	8,078	269	8,323	-	-	24
Department of Justice						
Reimbursement for Victim Witness Services	-	-	-	-	-	-
2004	10,569	-	10,569	-	-	-
2005	-	45,218	13,532	19,189	-	12,497
Total Department of Justice	10,569	45,218	24,101	19,189	-	12,497

LINCOLN COUNTY, WISCONSIN
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 Year Ended December 31, 2005

STATE ID Number	Accrued or (Deferred) Revenues at January 1, 2005	Expenditures	Grantor	Reimbursements Local/Other	Adjustments	Accrued or (Deferred) Revenues at December 31, 2005
Department of Military Affairs						
465.301	-	7,179	7,179	-	-	-
465.337	-	-	-	-	-	-
2004	5,250	-	5,428	-	178	-
2005	-	39,071	2,697	30,956	-	5,418
Total Department of Military Affairs	5,250	46,250	15,304	30,956	178	5,418
Department of Administration						
505.118	3,670	-	3,670	-	-	-
2002	-	-	-	-	-	-
2005	-	300	300	-	-	-
505.371	690	(4,196)	4,708	-	-	178
2005	-	-	-	-	-	-
Total Department of Administration	4,360	4,496	8,678	-	-	178
Wisconsin Department of Transportation						
395.101	(56,760)	64,711	53,929	12,562	-	(58,540)
2003	-	-	-	-	-	-
Elderly and handicapped transportation county aids	-	-	-	-	-	-
TOTAL STATE AWARDS	296,252	4,138,101	3,448,273	687,469	424	299,035

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, 2005**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes 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, 2005, adequate matching funds were provided for all state programs presented.

NOTE 2 - STATE DIRECT PAYMENTS (UNAUDITED)

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

W-2 Benefits (including Child Care)	\$ 675,508
Food Stamps	1,138,993

This information is an integral part of the accompanying schedule.

**LINCOLN COUNTY, WISCONSIN
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
December 31, 2005**

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

State 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 the State Single Audit Guidelines? X yes no

Identification of major programs:

<u>ID Number(s)</u>	<u>Name of Program</u>
435.367	COP
435.506	Brain Injury Waiver
435.338	CIP II / COP W
435.561	Basic County Allocation
435.564	CIP IB
435.580	CIP IA
435.342	Children and Family Incentives
370.574 and 370.575	Snowmobile Trail and Area Aid

Dollar threshold used to distinguish between type A and type B programs: \$100,000

Auditee qualified as low-risk auditee? yes X no

Section II - Financial Statement Findings

No matters were reported.

**LINCOLN COUNTY, WISCONSIN
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
December 31, 2005**

Section III - State Award Findings and Questioned Costs

No matters were reported.

Section IV - Other Matters

1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? _____ Yes X No
2. Does the auditor's report show audit issues (i.e. material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, reportable conditions, management letter comments, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
- | | | | |
|--|------------------|--------------|----|
| Department of Agriculture | _____ Yes | <u> X </u> | No |
| Department of Commerce | _____ Yes | <u> X </u> | No |
| Department of Natural Resources | _____ Yes | <u> X </u> | No |
| Department of Transportation | _____ Yes | <u> X </u> | No |
| Department of Corrections | _____ Yes | <u> X </u> | No |
| Department of Workforce Development | _____ Yes | <u> X </u> | No |
| Department of Justice | _____ Yes | <u> X </u> | No |
| Department of Military Affairs | _____ Yes | <u> X </u> | No |
| Department of Veteran Affairs | _____ Yes | <u> X </u> | No |
| Department of Administration | _____ Yes | <u> X </u> | No |
| Department of Health and Family Services | <u> X </u> Yes | _____ | No |
3. Was a management letter or other document conveying audit comments issued as a result of this audit? _____ X Yes _____ No

4. Name and signature of partner

Renee Messing

Renee Messing, CPA

5. Date of report

July 28, 2006

**LINCOLN COUNTY, WISCONSIN
STATUS OF PRIOR YEAR STATE AUDIT FINDINGS
December 31, 2005**

PRIOR YEAR AUDIT FINDING

The finding 04S-1 reported in the prior year was still in existence and is reported above as finding 05-1 on the schedule of federal awards.