

CHIPPEWA COUNTY, WISCONSIN
FEDERAL AND STATE SINGLE AUDIT REPORTS
YEAR ENDED DECEMBER 31, 2009

**CHIPPEWA COUNTY, WISCONSIN
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**INDEPENDENT AUDITORS' REPORT ON
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

Honorable Members
of the Board of Supervisors
Chippewa County, 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 Chippewa County, Wisconsin (County) for the year ended December 31, 2009 and have issued our report thereon dated July 26, 2010. These basic financial statements are the responsibility of County management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the County taken as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, and are not a required part of the basic financial statements. The information in those schedules 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.

LarsonAllen LLP
LarsonAllen LLP

Eau Claire, Wisconsin
July 26, 2010

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant Reimburse- ments	Local Share	(Deferred)
		Reimbursements 1/1/09						Reimburse- ments
<u>Department of Agriculture</u>								
Passed through Wisconsin Department of Agriculture, Trade and Consumer Protection: Conservation Reserve Enhancement Program: 1/11/02-1/31/13	10.069	\$ 81	\$ -	\$ 35,831	\$ -	\$ 34,297	\$ -	\$ 1,615
Passed through Wisconsin Department of Health and Family Services: Special Supplemental Food Program for Women, Infants and Children:	10.557							
2009		-	-	251,971	-	222,268	-	29,703
2008		3,372	-	-	-	3,372	-	-
State Matching Grant for Food Stamp Program: Income Maintenance Contract:	10.561							
2009		-	-	285,034	18,138	246,815	18,138	38,219
2008		31,545	-	-	-	31,545	-	-
Passed through Wisconsin Land and Water Conservation Association: Conservation Technical Assistance Program:	10.902							
2009		-	-	4,000	-	4,000	-	-
Total Department of Agriculture		34,998	-	576,836	18,138	542,297	18,138	69,537

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/09
		Reimbursements 1/1/09						
<u>Department of Interior</u>								
Passed through Wisconsin Department of Natural Resources:								
Outdoor Recreation Acquisition, Development and Planning:	15.916							
3/07/03-12/30/05 55-01820		\$ 167,138	\$ 50,000	\$ -	\$ -	\$ 217,138	\$ -	\$ -
<u>Department of Justice</u>								
Passed through Wisconsin Office of Justice Assistance:								
Edward Byrne Memorial Justice Assistance:	16.738							
7/1/09-6/30/10 2008-DJ-02-7592		-	-	10,901	-	-	-	10,901
7/1/08-6/30/09 2007-DJ-02-4110		8,057	-	10,838	-	12,692	-	6,203
Passed through Wisconsin Department of Justice:								
CEASE Grant	16.none							
2009		-	-	200	-	-	-	200
2008		-	987	-	-	987	-	-
Passed through Eau Claire County:								
Byrne Grant Allocation:	16.580							
2009		-	-	2,080	-	-	-	2,080
CEASE Grant	16.none							
2009		-	80	-	-	80	-	-
Passed through Village of Lake Hallie:								
COPS Technology Program:	16.710							
12/26/07/12/25/10 2008CKWX0617		202,304	-	15,376	-	216,188	-	1,492
Total Department of Justice		210,361	1,067	39,395	-	229,947	-	20,876

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/09
		Reimbursements 1/1/09	Prior Years Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	
<u>Department of Transportation</u>								
Passed through Wisconsin Department of Transportation:								
Highway Planning and Construction Assistance Projects:	20.205^							
CTHS "F" #8912-03-72		\$ 539,917	\$ -	\$ 327,171	\$ 81,793	\$ 539,917	\$ 81,793	\$ 327,171
CTHS "T" #7865-03-73		-	-	153,825	38,456	-	38,456	153,825
Wheaton Bridge #7865-01-77		-	-	87,783	21,946	31,964	21,946	55,819
CTHS "OO" Bridge #7864-03-71		-	-	73,721	18,430	45,279	18,430	28,442
CTHS "M" Bridge #8902-01-71		-	-	92,637	23,159	92,637	23,159	-
CTHS "J" Bridge #7864-08-74		-	-	94,940	23,735	-	23,735	94,940
CTHS "F" Bridge #8912-04-72		-	-	80,642	20,161	45,396	20,161	35,246
Highway Safety:	20.600							
12/15/08-9/30/09 #0937-41-23		-	-	14,940	3,750	14,940	3,750	-
11/1/08-10/31/09 #0939-02-29		790	-	11,210	3,000	12,000	3,000	-
Passed through Wisconsin Department of Natural Resources:								
National Recreational Trails Grant:	20.219^							
12/18/07-6/30/11 RTA-343		99,395	-	-	-	-	-	99,395
Passed through Wisconsin Department of Military Affairs:								
Interagency Hazardous Materials Public Sector Training and Plannir	20.703							
2009 HMTWI 4032021		-	-	6,146	-	6,146	-	-
2009 Training Subgrant		-	-	1,100	-	1,100	-	-
Total Department of Transportation		640,102	-	944,115	234,430	789,379	234,430	794,838
<u>Environmental Protection Agency</u>								
Passed through Wisconsin Department of Natural Resources:								
Targeted Runoff Management:	66.460							
1/1/07-12/31/08 TRC - LC19-09000-07A		2,782	-	-	-	2,782	-	-
Passed through Wisconsin Department of Health and Family Services:								
Radon Outreach	66.032							
2009		-	-	3,500	-	3,500	-	-
Total Environmental Protection Agency		2,782	-	3,500	-	6,282	-	-

^ Highway Planning and Construction Cluster

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant	Local	(Deferred)
		Reimbursements 1/1/09				Reimburse- ments	Share	Reimbursements 12/31/09
<u>Department of Education</u>								
Passed through Wisconsin Department of Health and Family Services:								
Grants for Infants and Toddlers:	84.181							
2009		\$ -	\$ -	\$ 49,300	\$ -	\$ 49,300	\$ -	\$ -
Passed through Wisconsin Department of Corrections:								
American Recovery and Reinvestment Act:	84.397							
2009		-	-	80,780	-	80,780	-	-
Passed through Wisconsin Department of Revenue:								
American Recovery and Reinvestment Act:	84.397A							
2009		-	-	837,812	-	837,812	-	-
Total Department of Education		-	-	967,892	-	967,892	-	-
<u>Department of Health and Human Services</u>								
Passed through Area Agency on Aging:								
Preventive Health - Title III D:	93.043							
2009		-	-	4,807	2,008	4,307	2,008	500
2008		2,046	-	-	-	2,046	-	-
Supportive Services - Title III B:	93.044^^							
2009		-	-	55,996	34,768	23,429	34,768	32,567
2008		15,616	-	-	-	15,616	-	-

^^ Aging Cluster

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/09
		Reimbursements 1/1/09						
<u>Department of Health and Human Services (Continued)</u>								
Passed through Area Agency on Aging: (Continued)								
Title III-Part C-Nutrition Services:	93.045^^							
Congregate Nutrition - Title III C-1:								
2009		\$ -	\$ -	\$ 76,373	\$ 40,981	\$ 66,586	\$ 40,981	\$ 9,787
Home Delivered Nutrition - Title III C-2:								
2009		-	-	36,971	202,502	36,962	202,502	9
National Family Caregivers Support Program:	93.052							
2009		-	-	26,549	15,859	17,005	15,859	9,544
2008		7,551	-	-	-	7,551	-	-
Nutrition Services Incentive Program:	93.053^^							
10/1/08-9/30/09		-	-	37,170	-	37,170	-	-
ARRA Title III C-2 Home Delivered Meals:	93.705							
2009		-	-	5,969	-	11,938	-	(5,969)
ARRA Title III C-1 Congregate Meals:	93.707							
2009		-	-	14,339	-	14,339	-	-
State Health Insurance Assistance Program:	93.779							
4/1/09-3/31/10		-	-	4,402	-	11,598	-	(7,196)
4/1/08-3/31/09		1,203	-	2,797	-	4,000	-	-
Passed through Dunn County, Wisconsin:								
Supportive Services - Title III B:	93.044^^							
2007		257	-	-	-	257	-	-
Title III-Part C-Nutrition Services:	93.045^^							
2007		436	-	-	-	436	-	-

^^ Aging Cluster

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant	Local	(Deferred)
		Reimbursements 1/1/09				Reimburse- ments	Share	Reimbursements 12/31/09
<u>Department of Health and Human Services (Continued)</u>								
Passed through Dunn County, Wisconsin:								
National Family Caregivers Support Program:	93.052							
2007		\$ 113	\$ -	\$ -	\$ -	\$ 113	\$ -	\$ -
State Health Insurance Assistance Program:	93.779							
2007		1,789	-	-	-	1,789	-	-
Passed through Wisconsin Department of Health and Family Services:								
Public Health Emergency Preparedness:	93.069							
Biot Focus A Planning:								
2009		-	-	47,898	-	47,898	-	-
2008		8,837	-	-	-	8,837	-	-
Public Health Emergency Preparedness (PHER):								
2009		-	-	43,900	-	11,005	-	32,895
Public Health Emergency Preparedness (PHER 3):								
2009		-	-	22,289	-	26,678	-	(4,389)
Enhance the Safety of Children Affected by Substance Abuse:	93.087							
2009		-	-	24,000	5,877	13,741	5,877	10,259
2008		12,647	-	-	-	12,647	-	-
Autism Programs:	93.110							
2009		-	-	22,027	-	21,875	-	152
Childhood Immunization Grants:	93.268							
Women, Infants, and Children:								
2009		-	-	14,465	-	14,461	-	4
CDC Investigations and Technical Assistance:	93.283							
2009		-	-	6,471	-	8,068	-	(1,597)
Family Preservation and Support Services:	93.556							
2009		-	-	68,084	-	67,583	-	501
2008		149	-	-	-	149	-	-
Temporary Assistance for Needy Families:	93.558							
Social Services and Community Programs Contract:								
2009		-	-	165,583	-	166,481	-	(898)

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant Reimburse- ments	Local Share	(Deferred)
		Reimbursements 1/1/09						Reimbursements 12/31/09
<u>Department of Health and Human Services (Continued)</u>								
Passed through Wisconsin Department of Health and Family Services: (Continued)								
Chafee Education and Training Vouchers Program:	93.599							
2009		\$ -	\$ -	\$ 1,510	\$ -	\$ 501	\$ -	\$ 1,009
2008		1,409	-	-	-	1,409	-	-
Foster Care-Title IV-E:	93.658							
Social Services and Community Programs Contract:								
2009		-	-	2,120	-	-	-	2,120
2008		173	-	-	-	173	-	-
Social Services Block Grant:	93.667							
Social Services and Community Programs Contract:								
2009		-	-	6,478	-	5,524	-	954
2008		270	-	-	-	270	-	-
Human Services Contract:								
Base Allocation:								
2009		-	-	224,893	-	224,893	-	-
State Children's Insurance Program:	93.767							
2009		-	-	24,990	-	21,008	-	3,982
2008		8,295	-	-	-	8,295	-	-
Medical Assistance Program:	93.778							
Social Services and Community Programs Contract:	**							
2009		-	-	1,012,675	4,274	828,305	4,274	184,370
2008		(1,028,707)	-	-	-	(1,028,707)	-	-
Personal Care Program:	**							
2009		-	-	335,568	-	326,124	-	9,444
2008		62,695	4,431	-	-	67,126	-	-

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/09
		Reimbursements 1/1/09						
<u>Department of Health and Human Services (Continued)</u>								
Passed through Wisconsin Department of Health and Family Services: (Continued)								
Medical Assistance Program: (Continued)	93.778							
Case Management:	**							
2009		\$ -	\$ -	\$ 18,831	\$ 108,536	\$ 18,831	\$ 108,536	\$ -
2008		-	9,252	-	-	9,252	-	-
Targeted Case Management								
2009		-	-	4,535	7,795	4,242	7,795	293
2008		-	1,837	-	-	1,837	-	-
Wisconsin Medicaid Cost Reporting Program:	**							
2009		-	-	955,922	-	955,922	-	-
Aging and Disability Resource Center:	**							
2009		-	-	307,056	-	189,396	-	117,660
2008		113,771	-	-	-	113,771	-	-
Maternal and Child Health Services:								
2009		-	-	1,729	-	1,729	-	-
BadgerCare Plus Outreach:								
2009		-	-	2,026	-	7,531	-	(5,505)
2008		3,807	-	-	-	3,807	-	-
BadgerCare Core Plan:								
2009		-	-	8,728	-	-	-	8,728
Block Grants for Community Mental Health Services:	93.958							
2009		-	-	99,637	-	75,179	-	24,458
2008		31,163	-	-	-	31,163	-	-
Block Grants for Prevention and Treatment of Substance Abuse:	93.959							
2009		-	-	104,341	-	99,968	-	4,373
2008		13,977	-	-	-	13,977	-	-
Preventive Health and Health Service Block Grant:	93.991							
2009		-	-	8,129	-	8,125	-	4
Maternal and Child Health Services Block Grant: Statewide - Performance Based:	93.994							
2009		-	-	188,650	-	163,985	-	24,665
Consolidated Contract:								
2009		-	-	23,689	-	23,689	-	-
State Screening Initiative Grant: 7/1/08-6/30/09		(1,141)	-	1,141	-	-	-	-
Reproductive Health EIDPLHD:								
2009		-	-	2,603	-	2,603	-	-

** Major State Financial Assistance Program

CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/09
		Reimbursements 1/1/09						
Department of Health and Human Services (Continued)								
Passed through Wisconsin Department of Workforce Development:								
Child Support Enforcement Program (Title IV-D):	93.563							
2009		\$ -	\$ -	\$ 406,126	\$ 154,592	\$ 343,112	\$ 154,592	\$ 63,014
2008		104,437	-	-	-	104,437	-	-
Child Support Enforcement Program (Title IV-D) - ARRA:								
2009		-	-	281,143	-	265,474	-	15,669
Child Care Development:	93.596**							
Child Care Programs Contract:								
1/1/09-12/31/09		-	-	88,071	-	84,601	-	3,470
1/1/08-12/31/08		278	-	-	-	278	-	-
Passed through Wisconsin Department of Administration:								
Low-Income Home Energy Assistance:	93.568							
10/1/09-9/30/10 ADO79061.09		-	-	18,625	-	2,303	-	16,322
10/1/08-9/30/09 AD089164.09		31,926	-	78,333	-	110,259	-	-
Passed through Wisconsin Department of Corrections:								
Child Welfare Services:	93.645							
Non-CARS:								
2009		-	-	6,889	4,579	6,542	4,579	347
2008		339	-	-	-	339	-	-
Foster Care - Title IV-E:	93.658							
Non-CARS:								
2009		-	-	10,333	6,868	9,813	6,868	520
2008		339	-	-	-	339	-	-
Passed through Children's Health Alliance of Wisconsin:								
CDC Addressing Asthma from a Public Health Perspective:	93.283							
9/1/09-8/31/10		-	-	157	-	-	-	157
9/1/08-8/31/09		-	887	3,456	-	4,343	-	-
Total Department of Health and Human Services		(606,325)	16,407	4,908,474	588,639	3,766,333	588,639	552,223

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued	Prior Years Adjustments	Expenditures		Receipts		Accrued
		(Deferred)		Federal	Local	Grant Reimburse- ments	Local Share	(Deferred)
		1/1/09						Reimburse- ments
<u>Department of Homeland Security</u>								
Passed through Wisconsin Office of Justice Assistance:								
Emergency Management Performance Grants:								
10/1/09-9/30/10	97.042	\$ -	\$ -	\$ 11,952	\$ 3,248	\$ -	\$ 3,248	\$ 11,952
10/1/08-9/30/09		11,492	-	40,636	53,595	47,808	53,595	4,320
10/1/07-9/30/08		4,432	-	-	-	4,432	-	-
Homeland Security Advanced Research Projects:								
12/1/09-2/26/10	97.067	-	-	27,761	9,254	-	9,254	27,761
7/1/09-2/28/10		-	-	184	-	184	-	-
10/1/08-3/31/09		-	-	7,993	2,785	7,993	2,785	-
Total Department of Homeland Security		<u>15,924</u>	<u>-</u>	<u>88,526</u>	<u>68,882</u>	<u>60,417</u>	<u>68,882</u>	<u>44,033</u>
TOTAL FEDERAL AWARDS		<u>\$ 464,980</u>	<u>\$ 67,474</u>	<u>\$ 7,528,738</u>	<u>\$ 910,089</u>	<u>\$ 6,579,685</u>	<u>\$ 910,089</u>	<u>\$ 1,481,507</u>

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/09	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/09
					Grant Reimburse- ments	Local Share	
<u>Department of Agriculture, Trade and Consumer Protection</u>							
Clean Sweep Program:	115.04						
2009		\$ -	\$ -	\$ 20,293	\$ -	\$ 2,805	\$ 17,488
Soil and Water Resource Management:	115.15**						
County Staff and Support:							
2009		-	-	390,753	184,819	205,934	-
2008		27,022	-	-	27,022	-	-
Land and Water Resource Management Projects:	115.40**						
2009		-	-	55,726	47,889	-	7,837
2008		62,329	-	-	62,329	-	-
Total Department of Agriculture, Trade and Consumer Protection		<u>89,351</u>	<u>-</u>	<u>466,772</u>	<u>322,059</u>	<u>208,739</u>	<u>25,325</u>
<u>Department of Commerce</u>							
Environmental Aids - Private Sewage System:	143.110						
Private Sewage System Grants:							
2/1/09-12/31/10		-	-	30,495	30,495	-	-
2/1/08-12/31/09		5,450	-	-	5,450	-	-
Total Department of Commerce		<u>5,450</u>	<u>-</u>	<u>30,495</u>	<u>35,945</u>	<u>-</u>	<u>-</u>
<u>Department of Natural Resources</u>							
Local Parks Stewardship Program:	370.421						
10/30/03-6/30/08 #S-ADLP2-798		-	30,794	-	30,794	-	-
Boating Enforcement Aids:	370.550						
2009		-	-	25,881	-	7,578	18,303
2008		21,638	-	-	21,638	-	-
All-Terrain Vehicle Enforcement Aids:	370.551						
2009		-	-	18,038	16,996	1,042	-
Snowmobile Enforcement Aids:	370.552						
2009		-	-	10,990	8,091	2,899	-
Wildlife Damage Claims and Abatement:	370.553						
Administration and Abatement:							
2009		-	-	16,849	6,468	-	10,381
2008		14,132	-	-	14,132	-	-

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued	Prior Years Adjustments	Expenditures	Receipts		Accrued
		(Deferred) Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/09
<u>Department of Natural Resources (Continued)</u>							
Country Conservation Aides:	370.563						
5/21/07-6/30/09 #S-8092		\$ 19,324	\$ (7)	\$ -	\$ 19,317	\$ -	\$ -
Recreational Aids - Fish, Wildlife and Forestry:	370.564						
2009		(3,692)	-	2,870	3,311	-	(4,133)
Country Forest Loans:	370.567						
2009		-	-	15,838	15,838	-	-
Urban and Community Forestry:	370.572						
2009		-	-	51,282	51,282	-	-
Snowmobile Trails and Areas:	370.574						
7/1/09-6/30/10 #S-3743		-	-	-	45,200	-	(45,200)
7/1/08-6/30/09 #S-3601		(11,934)	-	57,134	45,200	-	-
7/02/07-6/30/08 #S-3470		2,915	-	-	2,915	-	-
Snowmobile Trails and Areas (Transp. Fd.):	370.575						
10/7/09-6/30/11 #S-3810		-	-	-	33,285	-	(33,285)
10/13/08-6/30/10 #S-3707		(15,240)	-	27,313	-	-	12,073
All-Terrain Vehicle Aids (Transp. Fd.):	370.576						
7/1/08-6/30/09 ATV-1770		6,750	-	-	6,750	-	-
12/18/07-6/30/09 ATV-1728 (RTA-342)		11,060	-	-	11,060	-	-
12/18/07-6/30/09 RTA-342 (ATV-1728)		11,059	-	-	11,059	-	-
7/2/07-3/30/08 ATV-1640		4,500	-	-	4,500	-	-
2/27/06-6/30/07 ATV-1479		(18,483)	-	31,016	12,533	-	-
Nonpoint Source Grant:	370.602						
3/1/07-12/31/09 TRC-LC07-09000-07C		-	-	37,558	36,035	-	1,523
1/01/07-12/31/09 TRC-LC07-09000-07B		70,534	-	-	70,534	-	-
Lakes Management Grants:	370.663						
10/1/08-12/31/10 LPL-1248-09		(7,500)	-	-	-	-	(7,500)
10/1/08-12/31/10 LPL-1249-09		(7,500)	-	-	-	-	(7,500)
10/1/08-12/31/10 LPL-1250-09		(7,500)	-	-	-	-	(7,500)

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/09	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/09
					Grant Reimburse- ments	Local Share	
<u>Department of Natural Resources (Continued)</u>							
Municipal and County Recycling Grants: 2009	370.670**	\$ -	\$ -	\$ 523,680	\$ 297,926	\$ 225,754	\$ -
Recycling Efficiency Grants: 2009	370.671**	-	-	31,741	31,741	-	-
Recreational Boating Facilities 7/30/08-12/31/09 RBF-1234	370.TA1	8,198	-	25,792	-	22,629	11,361
Total Department of Natural Resources		98,261	30,787	875,982	796,605	259,902	(51,477)
<u>Department of Transportation</u>							
Elderly and Handicapped County Aids: Elderly and Handicapped Transportation: 2009	395.101**	-	-	125,638	150,158	77,539	(102,059)
2008		(26,574)	-	26,574	-	-	-
Total Department of Transportation		(26,574)	-	152,212	150,158	77,539	(102,059)
<u>Department of Corrections</u>							
Capacity Building for Early Intervention: 7/1/08-6/30/09	410.302	-	-	14,195	-	-	14,195
7/1/08-6/30/09		(15,265)	-	15,265	-	-	-
Youth Aids Community: 2009	410.313	-	-	1,118,071	637,852	446,431	33,788
2008		21,948	-	-	21,948	-	-
Total Department of Corrections		6,683	-	1,147,531	659,800	446,431	47,983
<u>Department of Health and Family Services</u>							
W-2 and Non-W2 Funeral and Cemetery: Social Services and Community Programs Contract: 2009	435.105	-	-	81,863	74,664	-	7,199
2008		20,792	-	-	20,792	-	-

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued	Prior Years Adjustments	Expenditures	Receipts		Accrued
		(Deferred) Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/09
<u>Department of Health and Family Services (Continued)</u>							
Medical Assistance Transportation Program:							
Social Services and Community Programs Contract:	435.131						
2009		\$ -	\$ -	\$ 85,538	\$ 83,267	\$ -	\$ 2,271
2008		11,148	-	-	11,148	-	-
Social Services and Community Programs Administration:	435.132						
2009		-	-	611	401	-	210
2008		159	-	-	159	-	-
FSET Administration GPR/FED Base:	435.231						
2009		-	-	28,604	24,720	-	3,884
FSET Transportation GPR/FED Base:	435.233						
2009		-	-	15,598	10,128	2,952	2,518
FSET Retention GPR/FED Base:	435.235						
2009		-	-	535	992	-	(457)
CYSHCN Nutrition Network:	435.110130**						
2009		-	-	6,994	6,240	-	754
Fluoride Supplement Program:	435.151734**						
2009		-	-	2,075	1,436	-	639
2008		864	-	-	864	-	-
WIC Farmers Market Grant:	435.154720**						
2009		-	-	2,033	2,033	-	-
2008		177	-	-	177	-	-
WWWP - GPR:	435.157000**						
2009		-	-	23,055	23,053	-	2
2008		5	-	-	5	-	-
Consolidated Contract - CHHD LD:	435.157720**						
2009		-	-	8,399	8,399	-	-
TPCP - Wisconsin WINS Enforcement:	435.158116**						
2009		-	-	800	800	-	-
TPCP - Community Interventions - LHD:	435.158125**						
2009		-	-	48,690	48,690	-	-
TPCP - Wisconsin WINS:	435.158127**						
2009		-	-	7,000	7,000	-	-
2008		1	-	-	1	-	-
Maternal and Health Services Block Grant:	435.159320**						
2009		-	-	1,726	1,726	-	-
BadgerCare Outreach:	435.445455**						
2009		-	-	2,026	7,531	-	(5,505)
2008		3,807	-	-	3,807	-	-

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	Reimbursements 12/31/09
<u>Department of Health and Family Services (Continued)</u>							
IM Available Allocation:	435.283**						
Income Maintenance Contract:							
2009		\$ -	\$ -	\$ 514,687	\$ 303,645	\$ 210,523	\$ 519
2008		1,196	-	-	1,196	-	-
IM Available Allocation Federal Share:	435.284**						
Income Maintenance Contract:							
2009		-	-	11,995	10,084	-	1,911
2008		1,435	-	-	1,435	-	-
Medicaid Subrogation Collection:	435.291						
Income Maintenance Contract:							
2009		-	-	(778)	(490)	(117)	(171)
2008		(92)	-	-	(92)	-	-
Adult Protective Services:	435.312						
2009		-	-	55,548	55,548	-	-
2008		23,145	-	-	23,145	-	-
Foster Care Title IV-E:	435.324						
2008		334	-	-	334	-	-
Community Options Program - W-GPR:	435.338						
2008		(46,614)	-	-	(46,614)	-	-
Community Integration Program II:	435.348						
2008		(146,695)	-	-	(146,695)	-	-
Foster Care Continuation:	435.365						
2008		7,890	-	-	7,890	-	-

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	Reimbursements 12/31/09
<u>Department of Health and Family Services (Continued)</u>							
Community Options Program:	435.367**						
2009		\$ -	\$ -	\$ 109,328	\$ 43,634	\$ -	\$ 65,694
2008		84,625	-	-	84,625	-	-
Community Integration Program II Community Relocates:	435.369						
2008		11,824	-	-	11,824	-	-
Community Integration Program II Diversions:	435.375						
2008		9,154	-	-	9,154	-	-
Kinship Care Base Benefit:	435.377						
2008		2,394	-	-	2,394	-	-
Alzheimer's Family Support:	435.381						
2009		-	-	25,728	25,728	-	-
2008		17,981	-	-	17,981	-	-
ICFMR Nonfed:	435.407						
2008		116,432	-	-	116,432	-	-
CLTS GPR:	435.450**						
2009		-	-	97,977	109,642	-	(11,665)
2008		(17,979)	-	-	(17,979)	-	-
CLTS DD:	435.460						
2009		-	-	43,070	35,692	-	7,378
2008		18,867	-	-	18,867	-	-
CLTS MH:	435.461						
2009		-	-	8,969	8,969	-	-
2008		1,356	-	-	1,356	-	-

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued	Prior Years Adjustments	Expenditures	Receipts		Accrued
		(Deferred) Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	(Deferred) Reimbursements 12/31/09
<u>Department of Health and Family Services (Continued)</u>							
CLTS PD:	435.462						
2009		\$ -	\$ -	\$ 13,096	\$ 11,580	\$ -	\$ 1,516
2008		(5,581)	-	-	(5,581)	-	-
Community Support Program Waiting List:	435.504						
2009		-	-	56,048	56,048	-	-
Brain Injury Waiver:	435.506						
2008		(28,682)	-	-	(28,682)	-	-
Integrated Service Programs for Children with Severe Disabilities:	435.530						
2009		-	-	7,400	5,399	-	2,001
2008		1,109	-	-	1,109	-	-
Birth-to-Three Initiative:	435.550						
2009		-	-	58,885	58,885	-	-
Aging and Disability Resource Center:	435.560100**						
2009		-	-	349,472	298,005	-	51,467
2008		43,371	-	-	43,371	-	-
Basic County Allocation - State Funded:	435.561**						
2009		-	-	1,521,576	1,521,576	-	-
Community Integration Program 1B - State Share:	435.564						
2008		(90,766)	-	-	(90,766)	-	-
Family Support Program:	435.577						
2009		-	-	55,842	39,688	-	16,154
2008		15,036	-	-	15,036	-	-

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/09
		Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	
<u>Department of Health and Family Services (Continued)</u>							
State Senior Community Services:							
Community Integration Program 1A - State Share:	435.580						
2008		\$ (284,531)	\$ -	\$ -	\$ (284,531)	\$ -	\$ -
State/County Match:	435.681**						
2009		-	-	1,382,724	99,191	1,177,320	106,213
General Relief and Administration:	435.990						
2008		2,401	-	-	2,401	-	-
Program Integrity:	435.750						
2009		-	-	3,226	3,226	-	-
Liquidated Damages:	435.908						
2009		-	-	(250)	(250)	-	-
2008		(750)	-	-	(750)	-	-
Agency Travel Reimbursement:	435.977						
2009		-	-	221	(17)	-	238
Children Family Incentives:	437.3342**						
2009		-	-	103,606	102,342	-	1,264
Basic County Allocation:	437.3561**						
2009		-	-	662,845	662,845	-	-
State/County Match:	437.3681**						
2009		-	-	341,025	28,441	255,661	56,923
Passed through Area Agency on Aging:							
Elderly Benefit Specialist Program:	435.560320						
2009		-	-	32,709	21,648	4,494	6,567
2008		13,068	-	-	13,068	-	-
State Pharmaceutical Assistance Program:	435.560327						
7/1/08-6/30/09		997	-	6,658	7,655	-	-
State Senior Community Services:	435.560330						
2009		-	-	47,269	8,338	38,555	376

** Major State Financial Assistance Program

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	Reimbursements 12/31/09
<u>Department of Health and Family Services (Continued)</u>							
Passed through Area Agency on Aging: (Continued)							
Congregate Nutrition:	435.560350						
2009		\$ -	\$ -	\$ 110,914	\$ 62,934	\$ 38,731	\$ 9,249
Special Programs for the Aging - Title III, Part C:	435.560360						
2009		-	-	31,271	4,827	26,443	1
Special Programs for the Aging - Programs for Prevention:	435.560490						
2009		-	-	33,821	6,543	9,618	17,660
2008		13,815	-		13,815		-
Total Department of Health and Family Services		(198,307)	-	6,000,429	3,693,132	1,764,180	344,810
<u>Department of Workforce Development</u>							
Child Support - State Share:	437.202						
2008		368	-	-	368	-	-
<u>Public Service Commission</u>							
Wireless 911 Grant Program:	N/A						
1/1/06-1/31/09		187,172	-	-	187,172	-	-
<u>Department of Justice</u>							
Victim and Witness Services Program:	455.503						
2009		-	-	127,635	33,400	55,944	38,291
2008		33,302	-	-	33,302	-	-
Total Department of Justice		33,302	-	127,635	66,702	55,944	38,291

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)
YEAR ENDED DECEMBER 31, 2009**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/09			Grant Reimburse- ments	Local Share	Reimbursements 12/31/09
<u>Department of Military Affairs</u>							
Emergency Planning Grant Program:							
LEPC Emergency Planning Grant:							
10/1/09-9/30/10	465.337	\$ -	\$ -	\$ 4,010	\$ -	\$ -	\$ 4,010
10/1/08-9/30/09		3,864	-	13,068	7,728	1,476	7,728
10/1/07-9/30/08		7,761	(116)	-	7,645	-	-
Computer and Hazmat Equipment:							
2009	465.367	-	-	8,631	-	2,331	6,300
2008		10,000	-	-	10,000	-	-
Total Department of Military Affairs		<u>21,625</u>	<u>(116)</u>	<u>25,709</u>	<u>25,373</u>	<u>3,807</u>	<u>18,038</u>
<u>Department of Administration</u>							
Utility Public Benefits:							
10/1/09-9/30/10 Contract #ADO79061.09	505.371	-	-	24,805	14,521	-	10,284
10/1/08-9/30/09 Contract #AD089164.09		8,005	-	24,676	32,681	-	-
Land Comprehensive Planning Grant:							
2009	505.110	-	-	73,017	20,715	36,508	15,794
2008		20,529	-	-	20,529	-	-
Land Information Board Grants:							
2009 Training Grant	505.118	-	-	300	300	-	-
Total Department of Administration		<u>28,534</u>	<u>-</u>	<u>122,798</u>	<u>88,746</u>	<u>36,508</u>	<u>26,078</u>
Subtotal State Financial Assistance		<u>\$ 245,865</u>	<u>\$ 30,671</u>	<u>\$ 8,949,563</u>	<u>\$6,026,060</u>	<u>\$2,853,050</u>	<u>\$ 346,989</u>
Deduct: Local Share of Expenditures				(2,853,050)			
TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES				<u>\$ 6,096,513</u>			

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2009**

NOTE 1 REPORTING ENTITY

Chippewa County (the County) is governed by a board of supervisors consisting of twenty-one elected members.

The financial reporting entity for the County is based upon criteria set forth in generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial reporting entity is defined by GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the County consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting of the County.

NOTE 2 BASIS OF PRESENTATION

The schedules of expenditures of federal awards and state financial assistance have been presented on a basis to reflect the flow of available funds in the individual programs as follows:

Expenditures – Expenditures are presented on the accrual basis of accounting. Grant expenditures represent the amount of program funds expended during the year.

Receipts – Receipts recorded under the Grant Reimbursement category represent actual program funds received by the County during the year. Receipts recorded under the Local Share category, if any, represent the amounts of local funds used to finance the County's share of program expenditures on selected programs.

Accrued Reimbursement – Amounts recorded as accrued reimbursements represent the excess of program funds expended over available program funds. Such amounts represent program funds receivable by the County, except as discussed in Note 4.

Deferred Reimbursement – Amounts recorded as deferred reimbursements represent available (unexpended) program funds held by the County.

NOTE 3 ADJUSTMENTS TO BEGINNING ACCRUED (DEFERRED) REIMBURSEMENT

Prior year adjustments included in the schedules of expenditures of federal awards and state financial assistance represent adjustments to the January 1, 2009 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2009 and/or adjustment of accruals resulting from prior year audit findings.

**CHIPPEWA COUNTY, WISCONSIN
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2009**

NOTE 4 CDBG PROGRAM REVOLVING LOAN FUND

Housing Rehabilitation

The County was awarded Community Development Block Grants (CDBG) in the current and prior years for financing housing rehabilitation loans. Repayments received on the loans are recorded in a separate revolving loan fund by the County and are used to finance similar loans in accordance with the original grant agreements. Transactions of the revolving loan fund for the year ending December 31, 2009 are summarized as follows:

Balance January 1, 2009	\$ 273,577
Loan Repayments	193,338
Interest Accrued to Fund	2,367
Loans Made from Fund	(176,759)
Administration Paid from Fund	<u>(27,680)</u>
Balance December 31, 2009	<u><u>\$ 264,843</u></u>

The above transactions are not included in the schedule of expenditures of federal awards.

**CHIPPEWA COUNTY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2009**

A. MAJOR FEDERAL PROGRAM AWARDS

The Auditor had no prior year findings relating to major federal program awards.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

The Auditor had no prior year findings relating to major state program awards.

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

Honorable Members
of the Board of Supervisors
Chippewa County, Wisconsin

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Chippewa County, Wisconsin (County) as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 26, 2010. 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 the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider Items 2009-1 through 2009-3 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Honorable Members
of the Board of Supervisors
Chippewa County, Wisconsin

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the governing board and management of the County and the 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.

LarsonAllen LLP

LarsonAllen LLP

Eau Claire, Wisconsin
July 26, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND STATE SINGLE AUDIT GUIDELINES**

Honorable Members
of the Board of Supervisors
Chippewa County, Wisconsin

Compliance

We have audited the compliance of the Chippewa County, Wisconsin (County) 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 program for the year ended December 31, 2009. We have also audited the County's compliance with 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 (including federal programs required to be tested as major state programs) for the same period. The County's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and state guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2009.

Honorable Members
of the Board of Supervisors
Chippewa County, Wisconsin

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal or 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 OMB Circular A-133 and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and correct, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

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Eau Claire, Wisconsin
July 26, 2010

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2009**

PART I: SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the County.
2. Material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements and are listed as Findings 2009-1 through 2009-3.
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs or the major state financial assistance programs.
5. The auditors' report on compliance for the major federal award programs and the major state financial assistance programs for the County expresses an unqualified opinion.
6. The federal programs tested as major programs and the state programs tested as major programs, including federal programs tested as state major programs, are presented in the "Summary of Federal and State Programs Tested as Major Programs" which follows this schedule.
7. The threshold for distinguishing Types A and B programs was \$300,000 for federal award programs and \$100,000 for state financial assistance programs.
8. The County did not qualify as a low-risk auditee as defined in OMB Circular A-133.
9. A summary schedule of prior year audit findings has not been included since there were no prior year findings related to major federal awards and major state financial assistance. Prior year findings related to the internal controls over financial reporting were the same as those presented in the current year.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2009**

PART II: FINDINGS RELATED TO THE INTERNAL CONTROLS OVER FINANCIAL REPORTING:

FINDING: 2009-1 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

Condition: The County does not have an internal control policy in place over annual financial reporting under GAAP, therefore, the potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the County's internal controls.

Criteria: The County must be able to prevent or detect a material misstatement in the annual financial statements, including footnote disclosures.

Effect: No effect on the financial statements.

Cause: The County relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Recommendation: The County should continue to evaluate their internal staff and expertise to determine if an internal control policy over the annual financial reporting is beneficial.

Auditee Response: The County agrees with the finding. The County will continue to rely upon the audit firm to prepare the financial statements and related footnote disclosures and will review and approve these prior to the issuance of the annual financial statements.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2009**

**PART II: FINDINGS RELATED TO THE INTERNAL CONTROLS OVER FINANCIAL REPORTING:
(CONTINUED)**

FINDING: 2009-2 Material Audit Adjustments

Condition: The audit firm proposed and the County posted to its general ledger accounts journal entries for correcting certain misstatements. These adjusting journal entries were considered to be material for the fair presentation of the County's financial statements.

Criteria: The County should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Effect: The County's financial records were materially adjusted during the audit to produce financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Cause: The County relies on the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with GAAP. Management will review and approve those entries prior to recording them.

Recommendation: The County should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Auditee Response: The County agrees with the finding. The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP and will review and approve these entries prior to recording them. Management will also strive to minimize the number and amount of adjustments necessary to adjust accounts.

**CHIPPEWA COUNTY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
DECEMBER 31, 2009**

**PART II: FINDINGS RELATED TO THE INTERNAL CONTROLS OVER FINANCIAL REPORTING:
(CONTINUED)**

FINDING: 2009-3 Limited Segregation of Duties

Condition: In some of the smaller County offices (i.e., register of probate, zoning and aging) the available staff precludes a proper separation of duties to assure adequate internal control.

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Effect: There is a risk the financial statements may contain a misstatement that would be detected.

Cause: See Condition above.

Recommendation: The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Auditee Response: The County agrees with the finding. The County will continue to work to achieve segregation of duties whenever cost effective.

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

PART IV: FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS:

None.

**CHIPPEWA COUNTY, WISCONSIN
SUMMARY OF FEDERAL AND STATE PROGRAMS TESTED AS MAJOR PROGRAMS
YEAR ENDED DECEMBER 31, 2009**

FEDERAL PROGRAMS

The following federal programs were tested as major programs:

CFDA #	Program Title	Amount
20.205	Federal Highway Aid Cluster	\$ 910,720
84.397	State Fiscal Stabilization Fund	918,592
93.563	Child Support Enforcement	687,269
93.778	Medical Assistance Program	2,647,070
		<u>\$ 5,163,651</u>

STATE PROGRAMS

The following federal and state programs were tested as major state programs:

CFDA # State ID #	Program Title	Amount
State Programs on Schedule of State Financial Assistance:		
115.15	Soil and Water Resource Management	\$ 184,819
115.40	Land and Water Resource Management Projects	55,726
370.670	Recycling Program	297,926
370.671	Recycling Efficiency	31,741
395.101	Elderly and Handicapped Transportation	74,672
435.110130	Public Health - CYSHCN Nutrition Network	6,994
435.151734	Public Health - Fluoride Supplement	2,075
435.154720	Public Health - WIC Farmers Market	2,033
435.157000	Public Health - WWWP-GPR SS.255.06(2)	23,055
435.157720	Public Health - Consolidated Contract CHHD LD	8,399
435.158116	Public Health - TPCP - Wisconsin WINS Enforcement	800
435.158125	Public Health - TPCP - Community Interventions - LHD	48,690
435.158127	Public Health - TPCP - Wisconsin WINS	7,000
435.159320	Public Health - Consolidated Contract MCH	1,726
435.445455	Public Health - BadgerCare Outreach	2,026
435.283	IM Available Allocation	304,164
435.284	IM Available Allocation Federal Share	11,995
435.367	Community Options Program	109,328
435.450	Children's Long-Term Support GPR	97,977
435.560100	Aging and Disability Resource Center	349,472
435.561	Basic County Allocation	1,521,576
435.681	Community Services and MH Services - State/County Match	205,404
437.3342	Children Family Incentive	103,606
437.3561	Basic County Allocation	662,845
437.3681	State/County Match	85,364
Federal Programs on Schedule of Expenditures of Federal Awards:		
93.596	Child Care Development	88,071
93.778	Medical Assistance Program - Human Services Contract	1,012,675
93.778	Medical Assistance Program - Personal Care	335,568
93.778	Medical Assistance Program - Case Management	18,831
93.778	Medical Assistance Program - WI Medicare Cost Reporting	955,922
93.778	Medical Assistance Program - Aging and Disability Resource Center	307,056
		<u>2,718,123</u>
		<u>\$ 6,917,536</u>