

CHIPPEWA COUNTY, WISCONSIN
EXECUTIVE AUDIT SUMMARY (EAS)
DECEMBER 31, 2010

**CHIPPEWA COUNTY, WISCONSIN
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DECEMBER 31, 2010**

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Audit Report Summary

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the County's financial records for the year ended December 31, 2010. The following is a summary of reports we have issued:

Audit Opinion

The financial statements are fairly stated. We issued what is known as an "unqualified" audit opinion.

Internal Controls

Our report on internal control included the following deficiencies in internal controls over financial reporting. Please refer to the schedule of findings and questioned costs included in the *Federal and State Single Audit Report* for full details regarding these control deficiencies.

Material Weaknesses:

- 2010-01 Annual Financial Reporting Under Generally Accepted Accounting Principals (GAAP)
- 2010-02 Material Audit Adjustments
- 2010-03 Limited Segregation of Duties

Compliance

No matters involving compliance or internal controls over compliance were reported as a result of our audit.

Other Communications

During our audit we may become aware of other matters that, while not involving significant control deficiencies or material weaknesses as defined in the report on internal control references above, are observations we consider that merit your attention and/or opportunities for strengthening controls and operating efficiency. Accordingly, we offer the following comment:

Self-Funded Workers' Compensation:

The self-funded workers' compensation fund has had an operating loss for three consecutive years which has resulted in a negative net assets balance at December 31, 2010. The purpose of the self-funded workers' compensation fund is to provide workers' compensation insurance to the various funds and departments of the County on a cost-reimbursement basis and to fully recover all costs of providing this service through fees or charges. Although the actual number of filed claims has been stable, the operating loss is reflective of the increased medical cost trend. We suggest that the County examine the rates that the self-funded workers' compensation fund is charging and adjust them to fully recover all costs, and that the rates be set such that the losses of the last three years are recovered over a reasonable period of time.

APPENDIX A

FORMAL REQUIRED COMMUNICATIONS

Executive Committee of the County Board
Chippewa County
Chippewa Falls, 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 (the County) for the year ended December 31, 2010, and have issued our report thereon dated July 22, 2011. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and OMB Circular A-133

As stated in our engagement letter dated December 7, 2010, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the County'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 assurance on the internal control over financial reporting. We also considered 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.

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 grants, 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. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

1. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.
2. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Other Information in Documents Containing Audited Financial Statements

Our audit opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a client prepared document, such as an annual report, should be done only with our prior approval and review of the document. Our responsibility for other information in documents containing the County's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in such documents.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Chippewa County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010.

We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of capital assets is based on authoritative guidance and past experience.

Estimated current portion of compensated absences payable – Management's estimate of the amount of the year-end compensated absences payable balance to be taken by employees within one year of December 31, 2010 is based on management's estimates of accumulated hours and pay rates for the County's employees.

Estimates of claims payable accrued in the insurance internal service funds at December 31, 2010 are based on outside authoritative guidance.

Actuarial assumptions as outlined in notes to the basic financial statements for other postemployment benefits payable.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has recorded all such adjustments. The following material adjustments detected as a result of audit procedures were recorded by management: taxes receivable, state aids receivable, and coding of transactions. Management did not identify and we did not notify them of any unrecorded financial statement adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 22, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Executive Committee of the County Board
Chippewa County

This report is intended solely for the information and use of the Executive Committee and the County Board and management of the County and is not intended to be and should not be used by anyone other than these specified parties.

Larson Allen LLP

LarsonAllen LLP

Eau Claire, Wisconsin
July 22, 2011

APPENDIX B

NEW ACCOUNTING AND REPORTING STANDARDS

Fund Balance Reporting and Governmental Fund Type Definitions (GASB Statement No. 54)

This statement is effective for periods beginning after June 15, 2010 and, therefore, is applicable to the County for the year ended December 31, 2011.

Statement 54 distinguishes between fund balance amounts that are considered *non-spendable*, such as fund balance associated with inventories, and other amounts that are classified based on the relative ability to be spent. Beginning with the most non-spendable classification, fund balances will be reported in the following classifications:

- *Restricted*—amounts constrained by external parties, constitutional provision, or enabling legislation.
- *Committed*—includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority
- *Assigned*—amounts a government intends to use for a particular purpose. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- *Unassigned*—amounts that are not constrained at all will be reported in the general fund or to report deficit balances in other governmental funds.

The new standard also clarifies the definitions of individual governmental fund types. The statement interprets certain terms within the definition of special revenue fund types, while further clarifying the debt service and capital projects fund type definitions. The statement also specifies how economic stabilization or "rainy-day" amounts should be reported as a component of fund balance in the general fund. No longer is it considered appropriate to include these types of funds as a special-revenue fund. For financial reporting purposes, stabilization should be regarded as a Restricted or Committed classification only if the government details the circumstances or conditions that signal the need for stabilization in sufficient detail. Otherwise, these amounts should be reported as Unassigned in the general fund.

Specific actions required by the County prior to December 31, 2011 include:

- Analysis of all County funds for proper fund type classification based on GASB 54 guidance.
- Potential consolidation or expansion of funds and corresponding coding changes in the general ledger.
- Adoption of policies and procedures by the Board related to the new requirements of GASB 54.

Specific action to be taken by the Board include:

- o Consider designating the authority to "Assign" fund balance to a management position or individual. Not doing so will limit the County's ability to classify a portion of fund balance as assigned (previously called "designated fund balance").
- o Consider committing fund balance for specific purposes.
- o Consider adopting policies around minimum fund balance levels.

NEW ACCOUNTING AND REPORTING STANDARDS (CONTINUED)

The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34 (GASB Statement No. 61) Statement No. 61 is effective for financial reporting in fiscal year 2013 and modifies previous requirements for the assessment of potential component units in determining what should be included in the County's financial statements. The Statement also modifies the display and disclosure requirements for component units. As a result, the method for including component units in the County's financial statements will need to be re-evaluated and potentially changed in fiscal year 2013. In preparation for evaluating the inclusion of component units under the new guidance in GASB Statement No. 61, the County should revisit the formative documents of any potential component units including charters, resolutions, bylaws, articles of incorporation, etc.

Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (GASB Statement No. 62) As discussed in the County's accounting policy disclosures in its financial statements, the County historically followed Financial Accounting Standards Board (FASB) guidance issued before November 30, 1989, for purposes of reporting financial activity of proprietary funds and GASB guidance issued on and after November 30, 1989, all of which is considered acceptable methods for financial reporting of proprietary funds. However, GASB has accumulated and codified pre-November 30, 1989 FASB guidance deemed applicable to proprietary funds into an all-inclusive Statement No. 62. Statement No. 62 is very thorough, detailed and extensive – over 300 pages in length – and thus will require thoughtful implementation in fiscal year 2012.

APPENDIX C

Financial Statement Notations

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1 **General Fund:** The General fund is the general operating fund of the County. It is used to account for all financial resources which are not required to be accounted for in another fund.

	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>
General Fund Balance Sheet Summary:				
Cash and Investments	\$ 12,403,832	\$ 10,181,119	\$ 7,799,641	\$ 7,591,622
Taxes Receivable:				
Current Taxes Receivable	12,896,722	12,450,340	12,252,530	11,828,139
Delinquent Taxes Receivable	2,014,977	2,155,271	1,900,675	1,324,031
Tax Deeds Owned by County	4,012	6,211	5,705	5,403
Accounts Receivable	689,049	1,116,945	2,116,717	1,241,667
Due from Other Funds	109,079	58,218	229,127	1,298,538
Long-Term Receivables	1,240,829	1,327,036	1,400,000	-
Other Assets	2,361	8,967	8,532	9,721
Total Assets	<u><u>\$ 29,360,861</u></u>	<u><u>\$ 27,304,107</u></u>	<u><u>\$ 25,712,927</u></u>	<u><u>\$ 23,299,121</u></u>
Payables	\$ 1,015,853	\$ 1,301,192	\$ 2,087,929	\$ 1,316,406
Deferred Revenues	14,307,078	13,880,145	13,706,470	11,958,016
Total Liabilities	<u><u>15,322,931</u></u>	<u><u>15,181,337</u></u>	<u><u>15,794,399</u></u>	<u><u>13,274,422</u></u>
Fund Balance:				
Reserved for Delinquent Taxes	2,018,989	2,161,482	1,906,380	1,329,434
Reserved (Other Purposes)	2,361	8,967	158,532	9,721
Unreserved, Designated	3,368,262	3,217,606	3,124,749	2,500,645
Unreserved, Undesignated	<u><u>8,648,318</u></u>	<u><u>6,734,715</u></u>	<u><u>4,728,867</u></u>	<u><u>6,184,899</u></u>
Total Fund Balance	<u><u>14,037,930</u></u>	<u><u>12,122,770</u></u>	<u><u>9,918,528</u></u>	<u><u>10,024,699</u></u>
	<u><u>\$ 29,360,861</u></u>	<u><u>\$ 27,304,107</u></u>	<u><u>\$ 25,712,927</u></u>	<u><u>\$ 23,299,121</u></u>
% of Undesignated Fund Balance to General Fund Expenditures	33.9%	25.6%	17.7%	24.7%
Revenues	\$ 24,841,426	\$ 25,902,190	\$ 25,553,432	\$ 23,828,503
Expenditures	(25,499,301)	(26,293,207)	(26,762,267)	(25,039,325)
Transfers In	2,589,110	3,266,027	2,086,579	2,857,034
Transfers Out	(16,075)	(670,768)	(660,249)	(326,257)
Special Item	-	-	(323,666)	-
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(323,666)</u></u>	<u><u>-</u></u>
Net Change in Fund Balance	<u><u>\$ 1,915,160</u></u>	<u><u>\$ 2,204,242</u></u>	<u><u>\$ (106,171)</u></u>	<u><u>\$ 1,319,955</u></u>

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- 2 **Special Revenue Funds:** Special Revenue funds are used to account for the proceeds of specific revenues sources that are restricted to expenditures for specified purposes.

	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Special Revenue Fund Balances:				
Human Services	\$ 925,000	\$ 649,991	\$ 934,391	\$ 1,313,458
County Sales Tax	4,190,767	3,843,786	4,117,161	3,816,768
C.D.B.G. Grant Fund	375,063	264,843	273,577	266,777
Public Health	83,541	56,191	50,504	45,114
Nutrition and Aging	454,100	363,931	240,651	173,436
Shelter Care	26,516	21,398	90,444	98,906
State Aid Forestry	30,349	36,567	51,708	37,995
Dog Licenses	1,000	1,000	1,000	1,000
State Septic System Grant	-	-	-	-
Aging and Disability Resource Center	108,161	88,700	41,690	-
Land Management	200,949	270,688	271,553	232,495
Jail Assessment Fees	99,106	100,646	63,670	45,263
Land Conservation Stewardship	229,302	305,402	358,896	359,348
Forest and Parks Quality of Life	147,993	178,690	342,416	198,561
Economic Development	444,614	351,082	321,295	432,539
	\$ 7,316,461	\$ 6,532,915	\$ 7,158,956	\$ 7,021,660

- 3 **Debt Service Funds:** Debt Service Funds are used to account for the accumulation of resources for, and the payment of certain general long-term obligations.

	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Debt Service Fund Balances:				
CRI Debt Service	\$ -	\$ -	\$ -	\$ -
Refunding Bond Issue	2,804,752	2,479,633	2,191,686	1,865,265
Unfunded Liabilities	1,540,577	1,535,321	1,536,004	1,503,358
	\$ 4,345,329	\$ 4,014,954	\$ 3,727,690	\$ 3,368,623

Financial Statement Notations

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- 4 **Enterprise Funds:** Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise--where the intent of the governing body is that the costs of providing the services is to be recovered from those using the services.

	Farm Land Development			
	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Balance Sheet Summary:				
Cash and Investments	\$ 429,169	\$ 501,480	\$ 337,915	\$ 194,500
Accounts Receivable	109,878	109,878	184,506	264,778
Notes Receivable	-	-	-	1,765,818
Property Held for Resale	1,830,384	1,830,384	1,875,574	1,890,287
Capital Assets (Net)	22,653	22,653	22,653	27,966
	\$ 2,392,084	\$ 2,464,395	\$ 2,420,648	\$ 4,143,349
Current Liabilities	\$ 4,589	\$ 4,589	\$ 104,589	\$ 291,668
Net Assets:				
Invested in Capital Assets	22,653	22,653	22,653	27,966
Unrestricted	2,364,842	2,437,153	2,293,406	3,823,715
	\$ 2,392,084	\$ 2,464,395	\$ 2,420,648	\$ 4,143,349
Income Statement Summary:				
Operating Income (Loss)	\$ (73,218)	\$ 144,999	\$ 234,105	\$ (35,331)
Nonoperating Rev (Expenses)	907	(1,252)	(1,769,727)	(1,146)
Change in Net Assets	\$ (72,311)	\$ 143,747	\$ (1,535,622)	\$ (36,477)

Financial Statement Notations

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- 5 **Internal Service Funds:** Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other government units, on a cost reimbursement basis.

	Highway Department			
	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Summary Balance Sheets:				
Current Assets	\$ 6,234,904	\$ 6,954,283	\$ 8,320,413	\$ 8,048,295
Capital Assets (Net)	12,050,029	12,420,930	12,582,232	12,316,328
	\$ 18,284,933	\$ 19,375,213	\$ 20,902,645	\$ 20,364,623
Current Liabilities	\$ 370,650	\$ 456,247	\$ 764,110	\$ 705,810
Noncurrent Accrued Employee Leave	690,408	665,042	567,545	611,275
Early Retirement Incentive Liability	-	63,192	-	-
Other Postemployment Benefits	60,274	72,751	-	-
Net Assets:				
Investment in Capital Assets	12,050,029	12,420,930	12,582,232	12,316,328
Restricted	-	1,034,035	1,798,633	2,721,197
Unrestricted	5,113,572	4,663,016	5,190,125	4,010,013
	\$ 18,284,933	\$ 19,375,213	\$ 20,902,645	\$ 20,364,623
Income Statement Summary:				
Operating Income (Loss)	\$ (1,166,772)	\$ (2,671,679)	\$ (800,065)	\$ (2,618,552)
Nonoperating Rev (Expenses)	13,876	296,039	165,337	279,145
Contributions and Transfers	198,516	922,631	1,158,180	1,560,885
Change in Net Assets	\$ (954,380)	\$ (1,453,009)	\$ 523,452	\$ (778,522)
Self-Funded Workers' Compensation				
	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Summary Balance Sheets:				
Current Assets	\$ 785,218	\$ 920,386	\$ 944,960	\$ 1,116,710
	\$ 785,218	\$ 920,386	\$ 944,960	\$ 1,116,710
Current Liabilities	\$ 880,069	\$ 905,789	\$ 444,960	\$ 616,710
Net Assets:				
Unrestricted	(94,851)	14,597	500,000	500,000
	\$ 785,218	\$ 920,386	\$ 944,960	\$ 1,116,710
Income Statement Summary:				
Operating Income (Loss)	\$ (112,305)	\$ (493,584)	\$ (50,340)	\$ (53,754)
Nonoperating Rev (Expenses)	2,857	8,181	50,340	25,100
Contributions and Transfers	-	-	-	28,654
Change in Net Assets	\$ (109,448)	\$ (485,403)	\$ -	\$ -

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5 Internal Service Funds (continued):

	Self-Funded Health Insurance			
	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Summary Balance Sheets:				
Current Assets	\$ 1,748,836	\$ 1,969,179	\$ 1,678,360	\$ 2,704,761
	<u>\$ 1,748,836</u>	<u>\$ 1,969,179</u>	<u>\$ 1,678,360</u>	<u>\$ 2,704,761</u>
Current Liabilities	\$ 387,487	\$ 333,990	\$ 273,000	\$ 1,332,459
Net Assets:				
Unrestricted	1,361,349	1,635,189	1,405,360	1,372,302
	<u>\$ 1,748,836</u>	<u>\$ 1,969,179</u>	<u>\$ 1,678,360</u>	<u>\$ 2,704,761</u>
Income Statement Summary:				
Operating Income (Loss)	\$ (172,774)	\$ 110,435	\$ (5,100)	\$ 894,810
Nonoperating Rev (Expenses)	11,472	13,636	38,158	107,005
Contributions and Transfers	(112,538)	105,758	-	(1,126,849)
Change in Net Assets	<u>\$ (273,840)</u>	<u>\$ 229,829</u>	<u>\$ 33,058</u>	<u>\$ (125,034)</u>

	Self-Funded Liability Insurance			
	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Summary Balance Sheets:				
Current Assets	\$ 441,080	\$ 412,595	\$ 463,309	\$ 596,285
Investment in WMMIC	750,327	750,327	750,327	750,327
	<u>\$ 1,191,407</u>	<u>\$ 1,162,922</u>	<u>\$ 1,213,636</u>	<u>\$ 1,346,612</u>
Current Liabilities	\$ 388,305	\$ 386,540	\$ 256,677	\$ 342,693
Net Assets:				
Restricted	750,327	750,327	750,327	750,327
Unrestricted	52,775	26,055	206,632	253,592
	<u>\$ 1,191,407</u>	<u>\$ 1,162,922</u>	<u>\$ 1,213,636</u>	<u>\$ 1,346,612</u>
Income Statement Summary:				
Operating Income (Loss)	\$ (53,347)	\$ (259,229)	\$ (127,427)	\$ (45,774)
Nonoperating Rev (Expenses)	80,067	78,652	80,467	77,521
Change in Net Assets	<u>\$ 26,720</u>	<u>\$ (180,577)</u>	<u>\$ (46,960)</u>	<u>\$ 31,747</u>

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6 Long-Term Obligations	12/31/2010	12/31/2009	12/31/2008	12/31/2007
General Obligation Bonds	\$ 8,110,000	\$ 9,020,000	\$ 9,900,000	\$ 10,735,000
General Obligation Notes	663,204	779,764	891,829	998,812
	8,773,204	9,799,764	10,791,829	11,733,812
Early Retirement Incentive Liability				
General County	-	300,940	-	-
Highway	-	94,788	-	-
Other Postemployment Benefits Payable				
General County	225,397	273,025	187,891	-
Highway	60,274	72,751	-	-
Vested Sick Leave and Vacation:				
General County	2,082,033	1,996,801	2,010,523	1,854,225
Highway	935,219	904,787	783,893	821,872
	\$ 12,076,127	\$ 13,442,856	\$ 13,774,136	\$ 14,409,909
 General Obligation Debt as Percent of Debt Limitation	 3.9%	 4.3%	 4.7%	 5.5%

APPENDIX D

REPORT ON CONDENSED FINANCIAL STATEMENTS INCLUDED HEREIN

Executive Committee of the County Board
Chippewa County
Chippewa Falls, Wisconsin

We have audited the financial statements of Chippewa County, Wisconsin (the County), as of and for the year ended December 31, 2010 (not presented herein). These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinion.

The condensed financial information included in Appendix C for the years presented on pages 8 through 13 are presented as a summary and, therefore, do not include all of the disclosures required by U.S. generally accepted accounting principles.

In our opinion, because of the significance of the omission of the information referred to in the preceding paragraph, the condensed financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the results of its operations for the years then ended.

This report is intended solely for the information and use of the County Board and management of the County 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 22, 2011