

**CHIPPEWA COUNTY, WISCONSIN**  
**FEDERAL AND STATE SINGLE AUDIT REPORTS**  
**YEAR ENDED DECEMBER 31, 2010**

**CHIPPEWA COUNTY, WISCONSIN  
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**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION  
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) as of and for the year ended December 31, 2010 and have issued our report thereon dated July 22, 2011. 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 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 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 22, 2011

(1)



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**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2010**

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 12/31/10
		Reimbursements 1/1/10						
<b>Department of Agriculture</b>								
Direct Grant:								
Environmental Quality Incentives Program 10/1/08-9/30/10 65-5F48-9-033	10.912	\$ -	\$ -	\$ 5,639	\$ 5,639	\$ 5,639	\$ 5,639	\$ -
Passed through Wisconsin Department of Agriculture, Trade and Consumer Protection:								
Conservation Reserve Enhancement Program: 1/11/02-1/31/13	10.069	1,616	-	145,876	-	147,492	-	-
Passed through Wisconsin Department of Health and Family Services:								
Special Supplemental Food Program for Women, Infants and Children:	10.557							
2010		-	-	296,199	-	251,927	-	44,272
2009		29,703	-	-	-	29,703	-	-
State Matching Grant for Food Stamp Program: Income Maintenance Contract:	10.561							
2010		-	-	307,697	29,211	268,645	29,211	39,052
2009		38,219	-	-	-	38,219	-	-
Passed through Wisconsin Land and Water Conservation Association:								
Conservation Technical Assistance Program: 2010	10.902	-	-	2,000	-	2,000	-	-
Total Department of Agriculture		69,538	-	757,411	34,850	743,625	34,850	83,324

See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/10
		Reimbursements 1/1/10	Prior Years Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	
<b>Department of Justice</b>								
Direct Grant:								
Bulletproof Vest Partnership Program: 4/1/09-9/30/11	16.607	\$ -	\$ -	\$ 14,672	\$ 14,672	\$ 14,672	\$ 14,672	\$ -
Passed through Wisconsin Office of Justice Assistance:								
Juvenile Justice and Delinquency Prevention 9/1/10-6/30/11 2009-JF-19-8225	16.540	-	-	5,250	5,250	-	5,250	5,250
Edward Byrne Memorial Justice Assistance:								
7/1/10-6/30/11 2009-DJ-02-8460	16.738	-	-	10,923	-	-	-	10,923
7/1/09-6/30/10 2008-DJ-02-7592		10,901	-	10,801	-	16,077	-	5,625
7/1/08-6/30/09 2007-DJ-02-4110		6,203	-	-	-	6,203	-	-
Passed through Wisconsin Department of Justice:								
CEASE Grant 2010	16.none	200	-	-	-	200	-	-
Passed through Eau Claire County:								
Byrne Grant Allocation: 2010	16.580	-	-	5,644	-	-	-	5,644
2009		2,080	-	-	-	2,080	-	-
Passed Through City of Chippewa Falls								
CEASE Grant 2010	16.none	-	-	5,000	-	5,000	-	-
Passed through Village of Lake Hallie:								
COPS Technology Program: 12/26/07-12/25/10 2008CKWX0617	16.710	1,492	-	-	-	1,492	-	-
Total Department of Justice		20,876	-	52,290	19,922	45,724	19,922	27,442
<b>Department of Transportation</b>								
Passed through Wisconsin Department of Transportation:								
Highway Planning and Construction Assistance Projects:								
CTHS "F" #8912-03-72	20.205 (A)	327,171	-	-	-	327,171	-	-
CTHS "N" #7865-03-73		153,825	29,275	-	-	-	-	183,100
CTHS "CC" #8908-03-70		-	-	70,686	7,854	-	7,854	70,686
CTHS "J" Bridge #7864-00-73		-	-	180,000	101,315	-	101,315	180,000
Wheaton Bridge #7865-01-77		55,819	-	-	-	55,819	-	-
CTHS "OO" Bridge #7864-03-71		28,442	-	-	-	28,442	-	-
CTHS "M" Bridge #8902-01-71		-	83,343	24,703	6,176	-	6,176	108,046
CTHS "J" Bridge #7864-08-74		94,940	-	-	-	94,940	-	-
CTHS "F" Bridge #8912-04-72		35,246	-	-	-	35,246	-	-
CTHS "O" Bridge #8920-06-71		-	2,028	130,587	42,620	36,687	42,620	95,928

(A) = Highway Planning and Construction Cluster  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred)
		Reimbursements	Prior Years	Federal	Local	Grant	Local	Reimbursements
		1/1/10	Adjustments			Reimburse- ments	Share	12/31/10
<u>Department of Transportation (continued)</u>								
Passed through Wisconsin Department of Transportation (continued):								
Highway Safety:	20.600							
10/1/10-9/30/11		\$ -	\$ -	\$ 932	\$ -	\$ -	\$ -	\$ 932
10/1/09-9/30/10		-	-	23,225	-	23,225	-	-
Passed through Wisconsin Department of Natural Resources:								
National Recreational Trails Grant:	20.219 (A)							
12/18/07-6/30/11 RTA-343		99,395	-	-	-	99,395	-	-
Passed through Wisconsin Department of Military Affairs:								
Interagency Hazardous Materials Training and Planning:	20.703							
2010 Training Subgrant		-	-	644	-	-	-	644
Total Department of Transportation		794,838	114,646	430,777	157,965	700,925	157,965	639,336
<u>Environmental Protection Agency</u>								
Passed through Wisconsin Department of Health and Family Services:								
Radon Outreach	66.032							
2010		-	-	3,500	-	3,494	-	6
Total Environmental Protection Agency		-	-	3,500	-	3,494	-	6
<u>Department of Energy</u>								
Passed through Wisconsin Department of Commerce								
Energy Efficiency and Conservation Block Grant - ARRA	81.128							
6/24/10-9/30/12 EECBG FY10-1117		-	-	78,281	55,959	-	55,959	78,281
<u>Department of Education</u>								
Passed through Wisconsin Department of Health and Family Services:								
Grants for Infants and Toddlers:	84.181 (B)							
2010		-	-	50,598	-	50,598	-	-
Passed through Wisconsin Department of Corrections:								
Special Education - Grants for Infants and Families - ARRA	84.393 (B)							
2010		-	-	28,272	5,325	22,991	5,325	5,281
Total Department of Education		-	-	78,870	5,325	73,589	5,325	5,281

(A) = Highway Planning and Construction Cluster

(B) = Early Intervention Services (IDEA) Cluster

See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Prior Years Adjustments	Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/10
		Reimbursements 1/1/10	Reimbursements		Federal	Local	Grant Reimburse- ments	Local Share	
<b>Department of Health and Human Services</b>									
Passed through Area Agency on Aging:									
Preventive Health - Title III D:	93.043								
2010		\$ -	\$ -	\$ 4,330	\$ 482	\$ 1,819	\$ 482	\$ 2,511	
2009		500	-	-	-	500	-	-	
Supportive Services - Title III B:	93.044 (C)								
2010		-	136	57,793	19,451	47,298	19,451	10,631	
2009		32,567	-	-	-	32,567	-	-	
Title III-Part C-Nutrition Services:	93.045 (C)								
Congregate Nutrition - Title III C-1:									
2010		-	-	55,132	20,587	47,923	20,587	7,209	
2009		9,787	-	-	-	9,787	-	-	
Home Delivered Nutrition - Title III C-2:									
2010		-	-	37,129	161,636	31,829	161,636	5,300	
2009		9	-	-	-	9	-	-	
National Family Caregivers Support Program:	93.052								
2010		-	-	28,963	9,673	20,018	9,673	8,945	
2009		9,544	-	-	-	9,544	-	-	
Nutrition Services Incentive Program:	93.053 (C)								
10/1/09-9/30/10		-	-	36,914	-	33,315	-	3,599	
ARRA Title III C-2 Home Delivered Meals:	93.705 (C)								
2009		(5,969)	-	5,969	-	-	-	-	
State Health Insurance Assistance Program:	93.779								
4/1/09-3/31/10		-	-	5,657	-	4,948	-	709	
4/1/09-3/31/10		(7,196)	(546)	4,598	-	(3,144)	-	-	
Passed through Wisconsin Department of Health and Family Services:									
Public Health Emergency Preparedness:	93.069								
Biot Focus A Planning:									
2010		-	-	46,024	-	42,660	-	3,364	
Public Health Emergency Preparedness (PHER):									
2010		-	-	121	-	44,021	-	(43,900)	
2009		32,895	-	-	-	32,895	-	-	
Public Health Emergency Preparedness (PHER 3):									
2010		-	-	79,774	5,000	70,599	5,000	9,175	
2009		(4,389)	-	-	-	(4,389)	-	-	
Enhance the Safety of Children Affected by Substance Abuse:	93.087								
2010		-	-	24,000	21	18,555	21	5,445	
2009		10,259	-	-	-	10,259	-	-	
Autism Programs:	93.110								
2010		152	-	16,635	4,188	11,866	4,188	4,921	
Childhood Immunization Grants:	93.268 (D)								
Women, Infants, and Children:									
2010		-	-	15,650	-	15,649	-	1	
2009		4	-	-	-	4	-	-	

(C) = Aging Cluster

(D) = Immunization Cluster

See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/10
		Reimbursements 1/1/10	Prior Years Adjustments	Expenditures		Grant Reimburse- ments	Local Share	
				Federal	Local			
<b>Department of Health and Human Services (Continued)</b>								
Passed through Wisconsin Department of Health and Family Services: (Continued)								
CDC Investigations and Technical Assistance:	93.283							
2010		\$ -	\$ -	\$ 10,516	\$ -	\$ 8,529	\$ -	\$ 1,987
2009		(1,597)	-	-	-	(1,597)	-	-
Family Preservation and Support Services:	93.556							
2010		-	-	46,350	-	46,350	-	-
2009		501	-	-	-	501	-	-
Temporary Assistance for Needy Families:	93.558							
Social Services and Community Programs Contract:								
2010		-	-	256,736	3,468	252,640	3,468	4,096
2009		(898)	-	-	-	(898)	-	-
Chafee Education and Training Vouchers Program:	93.599							
2010		-	-	1,153	-	1,745	-	(592)
2009		1,009	-	-	-	1,009	-	-
Child Welfare:	93.645							
Social Services and Community Programs Contract:								
2010		-	-	25,637	-	25,637	-	-
Foster Care-Title IV-E:	93.658							
Social Services and Community Programs Contract:								
2010		-	-	352,551	3,806	350,735	3,806	1,816
2009		2,120	-	-	-	2,120	-	-
Social Services Block Grant:	93.667							
Social Services and Community Programs Contract:								
2010		-	-	7,007	-	5,999	-	1,008
2009		954	-	-	-	954	-	-
Human Services Contract:								
Base Allocation:								
2010		-	-	363,936	-	363,936	-	-
Child Care Expansion:	93.674							
Social Services and Community Programs Contract:								
2010		-	-	24,337	-	24,337	-	-
Immunization Program - ARRA	93.712 (D)							
2010		-	-	12,271	1,403	8,783	1,403	3,488
State Children's Insurance Program:	93.767							
2010		-	-	30,086	-	24,641	-	5,445
2009		3,982	-	-	-	3,982	-	-

(D) = Immunization Cluster

See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)	Prior Years Adjustments	Expenditures		Receipts		Accrued (Deferred)
		Reimbursements 1/1/10		Federal	Local	Grant Reimburse- ments	Local Share	Reimbursements 12/31/10
<b>Department of Health and Human Services (Continued)</b>								
Passed through Wisconsin Department of Health and Family Services: (Continued)								
Medical Assistance Program:	93.778							
Social Services and Community Programs Contract:	**							
2010		\$ -	\$ -	\$ 1,218,502	\$ (505)	\$ 979,028	\$ (505)	\$ 239,474
2009		184,370	-	-	-	184,370	-	-
Personal Care Program:								
2010		9,443	-	-	-	9,443	-	-
Case Management:	**							
2010		-	-	378	61,110	378	61,110	-
2009		-	16,391	-	-	16,391	-	-
Targeted Case Management								
2010		-	-	5,733	1,940	5,245	1,940	488
2009		293	-	-	-	293	-	-
Wisconsin Medicaid Cost Reporting Program:	**							
2010		-	-	509,267	-	509,267	-	-
Aging and Disability Resource Center:	**							
2010		-	-	211,640	-	126,139	-	85,501
2009		117,660	-	-	-	117,660	-	-
Maternal and Child Health Services:								
2010		-	-	1,763	-	1,763	-	-
BadgerCare Plus Outreach:								
2009		(5,505)	-	-	-	(5,505)	-	-
BadgerCare Core Plan:								
2010		-	-	23,143	23,143	23,143	23,143	-
2009		8,728	-	-	-	8,728	-	-
Block Grants for Community Mental Health Services:	93.958							
2010		-	-	99,634	-	98,169	-	1,465
2009		24,458	-	-	-	24,458	-	-
Block Grants for Prevention and Treatment of Substance Abuse:	93.959							
2010		-	-	142,297	9	103,077	9	39,220
2009		4,373	-	-	-	4,373	-	-
Preventive Health and Health Service Block Grant:	93.991							
2010		-	-	8,222	-	8,221	-	1
2009		4	-	-	-	4	-	-

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred)
		Reimbursements	Prior Years			Grant	Local	Reimbursements
		1/1/10	Adjustments	Federal	Local	Reimburse- ments	Share	12/31/10
<b>Department of Health and Human Services (Continued)</b>								
Passed through Wisconsin Department of Health and Family Services: (Continued)								
Maternal and Child Health Services Block Grant:	93.994							
Statewide - Performance Based:								
2010		\$ -	\$ -	\$ 185,032	\$ 1	\$ 164,542	\$ 1	\$ 20,490
2009		24,665	-	-	-	24,665	-	-
Consolidated Contract:								
2010		-	-	24,152	-	24,150	-	2
Reproductive Health EIDPLHD:								
2010		-	-	2,603	-	2,595	-	8
Passed through Wisconsin Department of Workforce Development:								
Child Support Enforcement Program (Title IV-D):	93.563							
2010		-	-	335,022	140,962	277,951	150,674	47,359
2009		63,014	-	-	-	63,014	-	-
Child Support Enforcement Program (Title IV-D) - ARRA:								
2010		-	-	287,426	-	287,426	-	-
2009		15,669	-	-	-	15,669	-	-
Child Care Development:	93.596**							
Child Care Programs Contract:								
1/1/10-12/31/10		-	-	80,073	-	86,589	-	(6,516)
1/1/09-12/31/09		3,470	-	-	-	3,470	-	-
Passed through Wisconsin Department of Administration:								
Low-Income Home Energy Assistance:	93.568							
10/1/10-9/30/11 AD109449.09		-	-	33,195	-	8,711	-	24,484
10/1/09-9/30/10 ADO79061.09		16,322	-	80,737	-	97,059	-	-
Passed through Wisconsin Department of Corrections:								
Child Welfare Services:	93.645							
Non-CARS:								
2010		-	-	6,659	7,444	5,502	7,444	1,157
2009		347	-	-	-	347	-	-
Foster Care - Title IV-E:	93.658							
Non-CARS:								
2010		-	-	9,619	10,752	7,947	10,752	1,672
2009		520	-	-	-	520	-	-

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2010**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/10
		Reimbursements 1/1/10	Prior Years Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	
<b>Department of Health and Human Services (Continued)</b>								
Passed through Wisconsin Department of Justice:								
Children's Justice Act 2010	93.643	\$ -	\$ -	\$ 8,970	\$ -	\$ 8,970	\$ -	\$ -
Passed through Children's Health Alliance of Wisconsin:								
CDC Addressing Asthma from a Public Health Perspective:	93.283							
9/1/10-8/31/11		-	-	2,018	-	1,060	-	958
9/1/09-8/31/10		157	-	3,104	-	3,261	-	-
Total Department of Health and Human Services		552,222	15,981	4,828,458	474,571	4,896,028	484,283	490,921
<b>Department of Homeland Security</b>								
Passed through Wisconsin Office of Justice Assistance:								
Emergency Management Performance Grants:	97.042							
10/1/10-9/30/11		-	-	12,644	12,644	-	12,644	12,644
10/1/09-9/30/10		11,952	-	42,072	40,993	25,288	40,993	28,736
10/1/08-9/30/09		4,320	-	-	-	4,320	-	-
Homeland Security Advanced Research Projects:	97.067							
3/1/10-12/31/10	2009-HS-04-7678	-	-	5,661	-	-	-	5,661
2/1/10-3/30/10	2008-HS-03-7140	-	-	2,528	-	2,528	-	-
6/1/10-9/30/10	2007-HS-13-7945	-	-	26,906	19,500	26,906	19,500	-
12/1/09-2/26/10	2007-HS-05/13-7407	27,761	-	128,200	44,734	155,961	44,734	-
Total Department of Homeland Security		44,033	-	218,011	117,871	215,003	117,871	47,041
<b>TOTAL FEDERAL AWARDS</b>		<b>\$ 1,481,507</b>	<b>\$ 130,627</b>	<b>\$ 6,447,598</b>	<b>\$ 866,463</b>	<b>\$ 6,678,388</b>	<b>\$ 876,175</b>	<b>\$ 1,371,632</b>

See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/10			Grant Reimburse- ments	Local Share	Reimbursements 12/31/10
<u>Department of Agriculture, Trade and Consumer Protection</u>							
Clean Sweep Program:	115.04						
2010		\$ -	\$ -	\$ 34,775	\$ 23,500	\$ 11,275	\$ -
2009		17,488	-	-	17,488	-	-
Soil and Water Resource Management:	115.15**						
County Staff and Support:							
2010		-	-	351,573	168,408	170,750	12,415
Land and Water Resource Management Projects:	115.40**						
2010		-	-	26,505	-	-	26,505
2009		7,837	-	-	7,837	-	-
Total Department of Agriculture, Trade and Consumer Protection		<u>25,325</u>	<u>-</u>	<u>412,853</u>	<u>217,233</u>	<u>182,025</u>	<u>38,920</u>
<u>Department of Commerce</u>							
Environmental Aids - Private Sewage System:	143.110						
Private Sewage System Grants:							
2/1/10-12/31/11		-	-	37,383	37,383	-	-
<u>Department of Natural Resources</u>							
Boating Enforcement Aids:	370.550						
2009		18,303	-	-	18,303	-	-
All-Terrain Vehicle Enforcement Aids:	370.551						
2010		-	-	14,524	12,695	1,829	-
Snowmobile Enforcement Aids:	370.552						
2010		-	-	8,018	6,022	1,996	-
Wildlife Damage Claims and Abatement:	370.553						
Administration and Abatement:							
2010		-	-	16,200	9,650	-	6,550
2009		10,381	-	-	10,381	-	-

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)		Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
		Reimbursements 1/1/10	Prior Years Adjustments		Grant Reimburse- ments	Local Share	
<b>Department of Natural Resources (Continued)</b>							
Recreational Aids - Fish, Wildlife and Forestry: 2010	370.564	\$ (4,132)	\$ -	\$ 1,335	\$ 1,655	\$ -	\$ (4,452)
Country Forest Aids: 2010	370.567	-	-	15,838	15,838	-	-
Urban and Community Forestry: 2010	370.572	-	-	38,351	38,351	-	-
Snowmobile Trails and Areas: 7/1/10-6/30/11 #S-3743	370.574	-	-	-	45,200	-	(45,200)
7/1/09-6/30/10 #S-3743		(45,200)	-	152,521	88,172	-	19,149
Snowmobile Trails and Areas (Transp. Fd.): 10/7/09-6/30/11 #S-3810	370.575	(33,285)	-	24,980	-	-	(8,305)
10/13/08-6/30/10 #S-3707		12,073	179	-	12,252	-	-
All-Terrain Vehicle Aids (Transp. Fd.): 7/1/10--6/30/11 ATV-2011	370.576	-	-	1,380	3,375	-	(1,995)
7/1/09--6/30/11 ATV-1901		-	-	9,372	6,750	2,622	-
Nonpoint Source Grant: 3/1/07-12/31/09 TRC-LC07-09000-07C	370.602	1,523	-	-	1,523	-	-
Lakes Management Grants: 10/1/08-6/30/11 LPL-1248-09	370.663	(7,500)	-	-	-	-	(7,500)
10/1/08-12/31/10 LPL-1249-09		(7,500)	-	10,000	2,500	-	-
10/1/08-6/30/11 LPL-1250-09		(7,500)	-	-	-	-	(7,500)
Lakes Management Planning Grant: 9/1/10-6/30/12 LPT-379-11	370.664	-	-	-	1,250	-	(1,250)

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/10			Grant Reimburse- ments	Local Share	Reimbursements 12/31/10
<u>Department of Natural Resources (Continued)</u>							
Municipal and County Recycling Grants: 2010	370.670**	\$ -	\$ -	\$ 534,046	\$ 313,515	\$ 220,531	\$ -
Recreational Boating Facilities 7/30/08-12/31/09 RBF-1234	370.TA1	11,361	-	-	11,361	-	-
Knowles-Nelson Stewardship Program 11/10/10-6/30/12 S-ALDP3-1079	370.TA1**	-	-	512,438	128,224	256,219	127,995
11/11/10-6/30/12 S-ALDP3-1081		-	-	138,359	34,867	69,180	34,312
Total Department of Natural Resources		(51,476)	179	1,477,362	761,884	552,377	111,804
<u>Department of Transportation</u>							
Elderly and Handicapped County Aids: Elderly and Handicapped Transportation: 2010	395.101**	-	-	85,020	153,416	30,000	(98,396)
2009		(102,059)	26,413	75,646	-	-	-
Total Department of Transportation		(102,059)	26,413	160,666	153,416	30,000	(98,396)
<u>Department of Corrections</u>							
Capacity Building for Early Intervention: 7/1/10-6/30/11	410.302	-	-	11,360	-	-	11,360
7/1/09-6/30/10		14,195	-	14,195	28,390	-	-
Youth Aids Community: 2010	410.313	-	-	1,532,504	597,905	808,873	125,726
2009		33,788	-	-	33,788	-	-
Total Department of Corrections		47,983	-	1,558,059	660,083	808,873	137,086
<u>Department of Health and Family Services</u>							
W-2 and Non-W2 Funeral and Cemetery: Social Services and Community Programs Contract: 2010	435.105	-	-	82,429	64,375	-	18,054
2009		7,199	-	-	7,199	-	-

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/10	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
					Grant Reimburse- ments	Local Share	
<b>Department of Health and Family Services (Continued)</b>							
<b>Medical Assistance Transportation Program:</b>							
Social Services and Community Programs Contract:	435.131						
2010		\$ -	\$ -	\$ 86,473	\$ 75,462	\$ -	\$ 11,011
2009		2,271	-	-	2,271	-	-
Social Services and Community Programs Administration:	435.132						
2010		-	-	650	437	-	213
2009		210	-	-	210	-	-
FSET Administration GPR/FED Base:	435.231						
2010		-	-	34,954	33,509	-	1,445
2009		3,884	-	-	3,884	-	-
FSET Transportation GPR/FED Base:	435.233						
2010		-	-	8,790	9,852	-	(1,062)
2009		2,518	-	-	2,518	-	-
FSET Retention GPR/FED Base:	435.235						
2010		-	-	3,331	3,000	331	-
2009		(457)	-	-	(457)	-	-
CYSHCN Nutrition Network:	435.11013						
2010		-	-	3,240	3,120	120	-
2009		754	-	-	754	-	-
Limited Agent Program	435.124						
2010		-	-	8,872	8,872	-	-
Fluoride Supplement Program:	435.151734						
2010		-	-	2,040	1,801	-	239
2009		639	-	-	639	-	-
WIC Farmers Market Grant:	435.154720						
2010		-	-	2,033	1,613	-	420
WWWP - GPR:	435.157000						
2010		-	-	23,055	23,053	-	2
2009		2	-	-	2	-	-

See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/10	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
					Grant Reimburse- ments	Local Share	
<u>Department of Health and Family Services (Continued)</u>							
Consolidated Contract - CHHD LD:	435.157720						
2010		\$ -	\$ -	\$ 8,159	\$ 8,151	\$ -	\$ 8
TPCP - Wisconsin WINS:	435.158127						
2010		-	-	5,655	2,943	-	2,712
Maternal and Health Services Block Grant:	435.159320						
2010		-	-	1,760	1,760	-	-
BadgerCare Outreach:	435.445455						
2009		(5,505)	-	-	(5,505)	-	-
IM Available Allocation:	435.283**						
Income Maintenance Contract:							
2010		-	-	489,680	264,012	225,668	-
2009		519	-	-	519	-	-
IM Available Allocation Federal Share:	435.284**						
Income Maintenance Contract:							
2010		-	-	23,394	19,160	-	4,234
2009		1,911	-	-	1,911	-	-
Medicaid Subrogation Collection:	435.291						
Income Maintenance Contract:							
2010		-	-	(3,368)	(1,164)	(505)	(1,699)
2009		(171)	-	-	(171)	-	-
Adult Protective Services:	435.312						
2010		-	-	55,548	55,548	-	-

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/10	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
					Grant Reimburse- ments	Local Share	
<u>Department of Health and Family Services (Continued)</u>							
Community Options Program:	435.367**						
2010		\$ -	\$ -	\$ 122,866	\$ 54,115	\$ -	\$ 68,751
2009		65,694	-	-	65,694	-	-
Alzheimer's Family Support:	435.381						
2010		-	-	12,221	11,586	-	635
CLTS GPR:	435.450**						
2010		-	-	116,198	103,185	-	13,013
2009		(11,665)	-	-	(11,665)	-	-
CLTS DD:	435.460						
2010		-	-	54,910	52,888	-	2,022
2009		7,378	-	-	7,378	-	-
CLTS MH:	435.461						
2010		-	-	56,495	47,363	-	9,132
CLTS PD:	435.462						
2010		-	-	10,076	23,956	-	(13,880)
2009		1,516	-	-	1,516	-	-
Community Support Program Waiting List:	435.504						
2010		-	-	57,500	57,500	-	-
Certified Mental Health Program:	435.517						
2010		-	-	27,607	20,705	-	6,902
Integrated Service Programs for Children with Severe Disabilities:	435.530						
2010		-	-	7,294	(9,579)	-	16,873
2009		2,001	-	-	2,001	-	-

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/10	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
					Grant Reimburse- ments	Local Share	
<b>Department of Health and Family Services (Continued)</b>							
Birth-to-Three Initiative:	435.550						
2010		\$ -	\$ -	\$ 48,381	\$ 48,381	\$ -	\$ -
Aging and Disability Resource Center:	435.560100**						
2010		-	-	326,645	331,125	-	(4,480)
2009		51,467	-	-	-	-	51,467
Basic County Allocation - State Funded:	435.561**						
2010		-	-	1,204,315	1,204,315	-	-
Family Support Program:	435.577						
2010		-	-	52,388	41,563	-	10,825
2009		16,154	-	-	16,154	-	-
State Senior Community Services:							
State/County Match:	435.681**						
2010		-	-	1,757,490	186,037	1,571,453	-
2009		106,213	-	-	106,213	-	-
Agency Travel Reimbursement:	435.977						
2009		238	-	-	238	-	-
AW DOJ Fingerprint Backup	437.332						
2010		-	-	613	408	-	205
Children Family Incentives:	437.3342						
2009		1,264	-	-	1,264	-	-
Case Review	437.3346						
2010		-	-	10,868	1,242	3,459	6,167

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/10	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
					Grant Reimburse- ments	Local Share	
<b>Department of Health and Family Services (Continued)</b>							
Basic County Allocation:	437.3561**						
2010		\$ -	\$ -	\$ 283,821	\$ 283,821	\$ -	\$ -
State/County Match:	437.3681**						
2010		-	-	1,444,803	78,729	1,365,093	981
2009		56,923	-	-	56,923	-	-
Passed through Area Agency on Aging:							
Elderly Benefit Specialist Program:	435.560320						
2010		-	-	31,351	17,067	3,136	11,148
2009		6,567	-	-	6,567	-	-
State Pharmaceutical Assistance Program:	435.560327						
7/1/09-6/30/10		-	-	7,040	7,040	-	-
State Senior Community Services:	435.560330						
2010		-	-	17,958	8,075	9,883	-
2009		376	-	-	376	-	-
Congregate Nutrition:	435.560350						
2010		-	-	128,210	88,469	34,858	4,883
2009		9,249	-	-	9,249	-	-
Special Programs for the Aging - Title III, Part C:	435.560360						
2010		-	-	25,448	4,075	20,694	679
2009		1	-	-	1	-	-
Special Programs for the Aging - Programs for Prevention:	435.560490						
2010		-	-	51,275	28,267	23,008	-
2009		17,660	-	-	17,660	-	-
Total Department of Health and Family Services		344,810	-	6,692,468	3,559,180	3,257,198	220,900

\*\* Major State Financial Assistance Program  
See notes to Schedules Expenditures of Federal Awards and State Financial Assistance

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/10	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
					Grant Reimburse- ments	Local Share	
<u>Department of Workforce Development</u>							
Child Support - State Share: 2010	437.202	\$ -	\$ -	\$ -	\$ 80,485	\$ -	\$ (80,485)
Child Support - Medical Support GPR 2010	437.7603	-	-	2,637	2,637	-	-
Total Department of Workforce Development		-	-	2,637	83,122	-	(80,485)
<u>Department of Justice</u>							
Victim and Witness Services Program: 2010	455.503	-	-	132,328	37,871	53,229	41,228
2009		38,291	-	-	38,291	-	-
Total Department of Justice		38,291	-	132,328	76,162	53,229	41,228
<u>Department of Military Affairs</u>							
Emergency Planning Grant Program: LEPC Emergency Planning Grant: 10/1/10-9/30/11	465.337	-	-	4,167	-	-	4,167
10/1/09-9/30/10		4,010	-	13,851	8,019	1,823	8,019
10/1/08-9/30/09		7,728	-	-	7,728	-	-
Computer and Hazmat Equipment: 2010	465.367	-	-	10,815	-	2,163	8,652
2009		6,300	-	-	6,300	-	-
Total Department of Military Affairs		18,038	-	28,833	22,047	3,986	20,838

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2010**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/10	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/10
					Grant Reimburse- ments	Local Share	
<b>Department of Administration</b>							
Utility Public Benefits:	505.371						
10/1/10-9/30/11 Contract #AD109449.09		\$ -	\$ -	\$ 18,212	\$ 4,227	\$ -	\$ 13,985
10/1/09-9/30/10 Contract #ADO79061.09		10,284	-	54,408	64,692	-	-
Land Comprehensive Planning Grant:	505.110						
2010		-	-	5,915	2,958	2,957	-
2009		15,794	-	-	15,794	-	-
Land Information Board Grants:	505.118						
2010 Training Grant		-	-	300	300	-	-
Total Department of Administration		<u>26,078</u>	<u>-</u>	<u>78,835</u>	<u>87,971</u>	<u>2,957</u>	<u>13,985</u>
Subtotal State Financial Assistance		<u>\$ 346,990</u>	<u>\$ 26,592</u>	<u>\$ 10,581,424</u>	<u>\$ 5,658,481</u>	<u>\$ 4,890,645</u>	<u>\$ 405,880</u>
Deduct: Local Share of Expenditures				(4,890,645)			
<b>TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES</b>				<u>\$ 5,690,779</u>			

**CHIPPEWA COUNTY, WISCONSIN  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE  
DECEMBER 31, 2010**

**NOTE 1 REPORTING ENTITY**

Chippewa County (the County) is governed by a board of supervisors consisting of twenty-nine 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, 2010 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2010 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, 2010**

**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, 2010 are summarized as follows:

Balance January 1, 2010	\$ 264,843
Loan Repayments	226,334
Interest Accrued to Fund	1,104
Loans Made from Fund	(102,227)
Administration Paid from Fund	(14,991)
Balance December 31, 2010	<u>\$ 375,063</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, 2010**

**A. FINDINGS - FINANCIAL STATEMENTS AUDIT**

The prior year findings relating to the financial statements were reported again in 2010.

**B. MAJOR FEDERAL PROGRAM AWARDS**

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

**C. FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS**

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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 22, 2011. 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 effectiveness of the County's 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 and, therefore, there can be no assurance that all such deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and questioned costs, 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 2010-01 through 2010-03 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.

*Larson Allen LLP*

**LarsonAllen LLP**

Eau Claire, Wisconsin  
July 22, 2011

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
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 Chippewa County, Wisconsin (County) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Chippewa County's major federal programs for the year ended December 31, 2010. 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 of the County's compliance with those requirements.

In our opinion the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2010.

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 the 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 the requirements that could have a direct and material effect on a major federal or state program to determine the 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 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 or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of 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 deficiencies, 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.

*Larson Allen LLP*

**LarsonAllen LLP**

Eau Claire, Wisconsin  
July 22, 2011

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2010**

**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 2010-01 through 2010-03.
3. No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. No matters involving internal control over compliance relating to the audit of the major federal award programs were reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance with OMB Circular A-133."
5. No significant deficiencies were disclosed during the audit of the major federal award programs or the major state financial assistance programs.
6. The audit disclosed no findings, which were required to be reported in accordance with Office on Management and Budget Circular A-133, Section .510(a)(1).
7. The independent auditors' report on compliance for the major federal award programs and the major state financial assistance programs for the County expresses an unqualified opinion.
8. 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.
9. The threshold for distinguishing Types A and B programs was \$300,000 for federal award programs and \$100,000 for state financial assistance programs.
10. The County did not qualify as a low-risk auditee as defined in OMB Circular A-133.

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2010**

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

**FINDING: 2010-01    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 that would enable management to conclude its annual financial statements and related footnote disclosures are complete and presented in accordance with Generally Accepted Accounting Principles (GAAP).

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

**Context:**             The County has informed us that they do not have an internal control policy in place over the annual financial reporting and that they do not have the necessary staff and expertise to prevent or detect a material misstatement in the annual financial statements including footnote disclosures.

**Effect:**              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.

**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.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings**

There is no disagreement with the audit finding.

**Actions Planned in Response to 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.

**Official Responsible for Ensuring CAP:**

The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**Planned Completion Date for CAP:**

The CAP is ongoing.

**Plan to Monitor Completion of CAP:**

The County Administrator will be monitoring this corrective action plan

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2010**

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

**FINDING: 2010-02 Material Audit Adjustments**

**Condition:** The audit firm proposed and the County posted to its general ledger accounts and journal entries for correcting certain misstatements.

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

**Context:** The County has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.

**Effect:** The financial statements of the County may include inaccurate information not detected or prevented by County staff.

**Cause:** The County has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

**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.

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The County will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them.

**Official Responsible for Ensuring CAP:**

The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**Planned Completion Date for CAP:**

The CAP is ongoing.

**Plan to Monitor Completion of CAP:**

The County Administrator will be monitoring this corrective action plan.

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2010**

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

**FINDING: 2010-03 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.

**Context:** The limited size of the County's limited staff in some departments responsible for accounting and financial duties precludes a complete segregation of incompatible duties. The County has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.

**Effect:** Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud, that would not be detected or prevented by County staff.

**Cause:** The condition is due to limited staff available.

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

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The County continues to work to achieve segregation of duties whenever cost effective.

**Official Responsible for Ensuring CAP:**

The Finance Director is the official responsible for ensuring corrective action of the deficiency.

**Planned Completion Date for CAP:**

The CAP is ongoing.

**Plan to Monitor Completion of CAP:**

The County Administrator will be monitoring this corrective action plan.

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2010**

**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, 2010**

**FEDERAL PROGRAMS**

The following federal programs were tested as major programs:

<u>CFDA #</u>	<u>Program Title</u>	<u>Amount</u>
10.561	Supplemental Nutritional Assistance Program	\$ 307,697
20.205	Federal Highway Aid Cluster	405,976
93.563	Child Support Enforcement	622,448
93.658	Foster Care - Title IV-E	362,170
93.667	Social Services Block Grant	370,943
93.778	Medical Assistance Program	1,970,426
		<u>\$ 4,039,660</u>

**STATE PROGRAMS**

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

<u>CFDA #/ State ID #</u>	<u>Program Title</u>	<u>Amount</u>
State Programs on Schedule of State Financial Assistance:		
115.15	Soil and Water Resource Management	\$ 180,823
115.40	Land and Water Resource Management Projects	26,505
370.670	Recycling Program	313,515
370.TA1	Knowles-Nelson Stewardship Program	325,398
395.101	Elderly and Handicapped Transportation	130,666
435.283	IM Available Allocation	264,012
435.284	IM Available Allocation Federal Share	23,394
435.367	Community Options Program	122,866
435.450	Children's Long-Term Support GPR	116,198
435.560100	Aging and Disability Resource Center	326,645
435.561	Basic County Allocation	1,204,315
435.681	Community Services and MH Services - State/County Match	186,037
437.3561	Basic County Allocation	283,821
437.3681	State/County Match	79,710
		<u>\$ 3,583,905</u>
Federal Programs on Schedule of Expenditures of Federal Awards:		
93.596	Child Care Development	80,073
93.778	Medical Assistance Program - Human Services Contract	1,218,502
93.778	Medical Assistance Program - Case Management	378
93.778	Medical Assistance Program - WI Medicare Cost Reporting	509,267
93.778	Medical Assistance Program - Aging and Disability Resource Center	211,640
		<u>2,019,860</u>
		<u>\$ 5,603,765</u>