

CHIPPEWA COUNTY, WISCONSIN
EXECUTIVE AUDIT SUMMARY (EAS)
DECEMBER 31, 2011

**CHIPPEWA COUNTY, WISCONSIN
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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 statements for the year ended December 31, 2011. 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.

New - Additional paragraph for GASB 54 implementation

New - Change in wording of RSI and supplementary information paragraphs

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:

2011-01 Annual Financial Reporting Under Generally Accepted Accounting Principals (GAAP)

2011-02 Material Audit Adjustments

2011-03 Limited Segregation of Duties

Compliance and Internal Controls Over Compliance

As part of our audit, we tested the County's compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs as well as the County's internal controls over compliance. We reported that the County complied with these requirements and that we did not identify any material weaknesses in the related internal controls.

Other Items

Other items were noted during the audit that do not rise to the level of an internal control deficiency as defined by audit standards but are summarized below for your consideration.

Self-Funded Workers' Compensation:

The self-funded workers' compensation fund has had an operating loss for four consecutive years which has resulted in a negative net assets balance, requiring an operating transfer from the general fund. 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 four years are recovered over a reasonable period of time.

Self-Funded Health Insurance:

The self-funded health insurance fund has had an operating loss for two consecutive years. The purpose of the self-funded health insurance fund is to provide health insurance employee benefits 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. We suggest that the County examine the rates that the self-funded health insurance fund is charging and adjust them to fully

recover all costs, and that the rates be set such that the losses of the last two years are recovered over a reasonable period of time.

Accounts Payable:

Several highway department invoices paid after December 31, 2011 were for services or goods received in 2011 but were not recorded as accounts payable. Expenses that have been incurred before year-end but not yet paid are to be recorded as accounts payable so that the financial statements are accurate and complete. We recommend that all invoices paid after year-end are reviewed for proper recording as prior year accounts payable.

Journal Entries:

Many journal entries examined during the audit were lacking documentation of appropriate approval and several did not have supporting documentation attached although documentation was provided when asked. Strong internal controls require that there be a segregation of duties regarding journal entry creation and approval, and that all journal entries are documented with appropriate support. We recommend that all journal entries are reviewed and approved by a senior member of finance and that journal entries are filed with attached supporting documentation.

Register of Deeds Bank Account:

The Register of Deeds bank account balance is not reconciled to the monthly collections that are turned over to the Treasurer. The monthly remittance to the Treasurer is reconciled to department collections and to bank deposits, but monthly fees deducted by the bank were not subtracted from the amount turned over to the Treasurer. This resulted in an insufficient department bank account balance at year-end and bank fee expenditures that were not recorded. We recommend that the monthly collections that are turned over to the Treasurer be reduced by any bank charges deducted from the account, and that the amount turned over is reconciled to the month-end reconciled bank balance.

County Parks Bank Accounts:

The County maintains bank accounts for deposit of fees collected at parks in remote locations of the County. It was noted during the audit that the funds in these accounts are not transferred to the Treasurer's checking account until the end of the season at which time the revenues are recorded on the County's financial records. This results in understatement of revenues on interim monthly reports before that date. Revenues should be recorded in a timely manner so that monthly financial reports include all activity through the date of the report. We recommend that funds in these accounts be transferred to the Treasurer's checking account and recorded in the appropriate revenue accounts of the County on a periodic basis throughout the season.

Deferred Revenues:

There were several instances of grants revenues that were not correctly recorded as deferred revenues when the expenditures related to the grant had not yet been incurred. Generally grant funding is recognized as revenue in the same period that the expenditure occurs, and funds held at year-end that have not been expended are recorded as a deferred revenue. We recommend that all grants be reviewed for proper recording in the correct period at year-end.

Updated Actuary Study:

The County reports a liability for other post employment benefits which requires an actuarial report to be updated every other year. Our records show that the County will need to obtain a new study for fiscal year 2012.



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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, 2011, and have issued our report thereon dated July 20, 2012. 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, 2011, 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.

Executive Committee of the County Board
Chippewa County

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.

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. As described in Note 1, the County changed accounting policies related to fund balances by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2011.

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, 2011 is based on historical trends and anticipated leave time activity.

Estimates of claims payable accrued in the insurance internal service funds at December 31, 2011 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.

The financial statement disclosures are neutral, consistent and clear.

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. The following material misstatements detected as a result of audit procedures were corrected 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 misstatements.

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 20, 2012.

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.

Other information in documents containing audited financial statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated July 20, 2012.

Executive Committee of the County Board
Chippewa County

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' 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 document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * * * *

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



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 20, 2012



CliftonLarsonAllen

APPENDIX B

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NEW ACCOUNTING AND REPORTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may restate portions of these financial statements in future periods. Listed below are the statements and a short summary of the standard's objective.

New accounting standards effective for the December 31, 2012 financial statements include:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010. The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement*, issued December 2010. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued June 2011. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 64, *Derivative Instruments Application of Hedge Accounting Termination Provisions – an Amendment of GASB Statement No. 53*, issued June 2011. The objective of this statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

New accounting standards effective for the December 31, 2013 financial statements include:

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, issued November 2010. The objective of this statement is to improve financial reporting for a governmental financial reporting entity. This statement modifies certain requirements for inclusion of component units in the financial reporting entity.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66, *Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62*, issued March 2012. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

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.

	12/31/2011	12/31/2010	12/31/2009	12/31/2008
General Fund Balance Sheet Summary:				
Cash and Investments	\$ 15,072,978	\$ 14,204,060	\$ 12,237,099	\$ 10,088,665
Taxes Receivable:				
Current Taxes Receivable	13,065,586	12,896,722	12,450,340	12,252,530
Delinquent Taxes Receivable	1,931,263	2,014,977	2,155,271	1,900,675
Tax Deeds Owned by County	4,012	4,012	6,211	5,705
Accounts Receivable	987,437	851,356	1,116,945	2,116,717
Due from Other Funds	75,247	94,765	58,218	229,127
Long-Term Receivables	1,152,027	1,240,829	1,327,036	1,400,000
Other Assets	1,084	2,361	8,967	8,532
Total Assets	\$ 32,289,634	\$ 31,309,082	\$ 29,360,087	\$ 28,001,951
Payables	\$ 1,638,593	\$ 1,015,853	\$ 1,301,192	\$ 2,087,929
Deferred Revenues	14,299,494	14,307,078	13,880,145	13,706,470
Total Liabilities	15,938,087	15,322,931	15,181,337	15,794,399
Fund Balance:				
Nonspendable - Delinquent Taxes	1,935,275	2,018,989	2,161,482	1,906,380
Nonspendable - Other Purposes	1,084	2,361	8,967	158,532
Assigned	5,743,443	5,316,483	5,273,586	5,413,773
Unassigned	8,671,745	8,648,318	6,734,715	4,728,867
Total Fund Balance	16,351,547	15,986,151	14,178,750	12,207,552
	\$ 32,289,634	\$ 31,309,082	\$ 29,360,087	\$ 28,001,951
% of Unassigned Fund Balance to General Fund Expenditures	30.5%	33.3%	25.3%	17.6%
Revenues	\$ 26,933,268	\$ 25,236,268	\$ 25,983,582	\$ 25,652,302
Expenditures	(28,449,058)	(26,001,902)	(26,597,688)	(26,878,087)
Transfers In	2,558,918	2,589,110	3,256,072	2,136,579
Transfers Out	(677,732)	(16,075)	(670,768)	(503,537)
Special Item	-	-	-	(323,666)
Net Change in Fund Balance	\$ 365,396	\$ 1,807,401	\$ 1,971,198	\$ 83,591

Financial Statement Notations

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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.

	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>
Special Revenue Fund Balances:				
Human Services	\$ 1,089,108	\$ 925,000	\$ 649,991	\$ 934,391
County Sales Tax	4,665,814	4,190,767	3,843,786	4,117,161
C.D.B.G. Grant Fund	159,544	375,063	264,843	273,577
Public Health	104,927	83,541	56,191	50,504
Shelter Care	25,712	26,516	21,398	90,444
Dog Licenses	1,000	1,000	1,000	1,000
State Septic System Grant	-	-	-	-
Aging and Disability Resource Center	648,503	562,261	452,631	282,341
Land Management	218,466	200,949	270,688	271,553
Jail Assessment Fees	71,045	99,106	100,646	63,670
Economic Development	557,390	444,614	351,082	321,295
	<u>\$ 7,541,509</u>	<u>\$ 6,908,817</u>	<u>\$ 6,012,256</u>	<u>\$ 6,405,936</u>

- 3 **Capital Project Funds:** Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed from proprietary funds.

	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>
Capital Project Fund Balance:				
2011/2012 Capital Projects Fund	\$ 3,189,563	\$ -	\$ -	\$ -

- 4 **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.

	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>
Debt Service Fund Balances:				
CRI Debt Service	\$ -	\$ -	\$ -	\$ -
Refunding Bond Issue	9,305,485	2,804,752	2,479,633	2,191,686
2011/12 Capital Projects Debt	-	-	-	-
2011 Refunding Bonds	-	-	-	-
	<u>\$ 9,305,485</u>	<u>\$ 2,804,752</u>	<u>\$ 2,479,633</u>	<u>\$ 2,191,686</u>

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- 5 **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			
	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Balance Sheet Summary:				
Cash and Investments	\$ 405,053	\$ 429,169	\$ 501,480	\$ 337,915
Accounts Receivable	40,500	109,878	109,878	184,506
Notes Receivable	-	-	-	-
Property Held for Resale	1,830,384	1,830,384	1,830,384	1,875,574
Capital Assets (Net)	22,653	22,653	22,653	22,653
	\$ 2,298,590	\$ 2,392,084	\$ 2,464,395	\$ 2,420,648
Current Liabilities	\$ 4,589	\$ 4,589	\$ 4,589	\$ 104,589
Net Assets:				
Invested in Capital Assets	22,653	22,653	22,653	22,653
Unrestricted	2,271,348	2,364,842	2,437,153	2,293,406
	\$ 2,298,590	\$ 2,392,084	\$ 2,464,395	\$ 2,420,648
Income Statement Summary:				
Operating Income (Loss)	\$ (93,714)	\$ (73,218)	\$ 144,999	\$ 234,105
Nonoperating Rev (Expenses)	220	907	(1,252)	(1,769,727)
Change in Net Assets	\$ (93,494)	\$ (72,311)	\$ 143,747	\$ (1,535,622)

Financial Statement Notations

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- 6 **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			
	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Summary Balance Sheets:				
Current Assets	\$ 7,860,368	\$ 6,234,904	\$ 6,954,283	\$ 8,320,413
Capital Assets (Net)	11,549,031	12,050,029	12,420,930	12,582,232
	\$ 19,409,399	\$ 18,284,933	\$ 19,375,213	\$ 20,902,645
Current Liabilities	\$ 2,573,856	\$ 370,650	\$ 456,247	\$ 764,110
Noncurrent Accrued Employee Leave	664,756	690,408	665,042	567,545
Early Retirement Incentive Liability	-	-	63,192	-
Other Postemployment Benefits	42,342	60,274	72,751	-
Net Assets:				
Investment in Capital Assets	11,549,031	12,050,029	12,420,930	12,582,232
Restricted	-	-	1,034,035	1,798,633
Unrestricted	4,579,414	5,113,572	4,663,016	5,190,125
	\$ 19,409,399	\$ 18,284,933	\$ 19,375,213	\$ 20,902,645
Income Statement Summary:				
Operating Income (Loss)	\$ (1,269,547)	\$ (1,166,772)	\$ (2,671,679)	\$ (800,065)
Nonoperating Rev (Expenses)	(7,577)	13,876	296,039	165,337
Contributions and Transfers	241,968	198,516	922,631	1,158,180
Change in Net Assets	\$ (1,035,156)	\$ (954,380)	\$ (1,453,009)	\$ 523,452

	Self-Funded Workers' Compensation			
	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Summary Balance Sheets:				
Current Assets	\$ 1,443,542	\$ 785,218	\$ 920,386	\$ 944,960
	\$ 1,443,542	\$ 785,218	\$ 920,386	\$ 944,960
Current Liabilities	\$ 943,542	\$ 880,069	\$ 905,789	\$ 444,960
Net Assets:				
Unrestricted	500,000	(94,851)	14,597	500,000
	\$ 1,443,542	\$ 785,218	\$ 920,386	\$ 944,960
Income Statement Summary:				
Operating Income (Loss)	\$ (77,581)	\$ (112,305)	\$ (493,584)	\$ (50,340)
Nonoperating Rev (Expenses)	700	2,857	8,181	50,340
Contributions and Transfers	671,732	-	-	-
Change in Net Assets	\$ 594,851	\$ (109,448)	\$ (485,403)	\$ -

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6 Internal Service Funds (continued):

	Self-Funded Health Insurance			
	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Summary Balance Sheets:				
Current Assets	\$ 1,165,598	\$ 1,748,836	\$ 1,969,179	\$ 1,678,360
	<u>\$ 1,165,598</u>	<u>\$ 1,748,836</u>	<u>\$ 1,969,179</u>	<u>\$ 1,678,360</u>
Current Liabilities	\$ 354,387	\$ 387,487	\$ 333,990	\$ 273,000
Net Assets:				
Unrestricted	811,211	1,361,349	1,635,189	1,405,360
	<u>\$ 1,165,598</u>	<u>\$ 1,748,836</u>	<u>\$ 1,969,179</u>	<u>\$ 1,678,360</u>
Income Statement Summary:				
Operating Income (Loss)	\$ (556,284)	\$ (172,774)	\$ 110,435	\$ (5,100)
Nonoperating Rev (Expenses)	6,146	11,472	13,636	38,158
Contributions and Transfers	-	(112,538)	105,758	-
Change in Net Assets	<u>\$ (550,138)</u>	<u>\$ (273,840)</u>	<u>\$ 229,829</u>	<u>\$ 33,058</u>

	Self-Funded Liability Insurance			
	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Summary Balance Sheets:				
Current Assets	\$ 403,682	\$ 441,080	\$ 412,595	\$ 463,309
Investment in WMMIC	750,327	750,327	750,327	750,327
	<u>\$ 1,154,009</u>	<u>\$ 1,191,407</u>	<u>\$ 1,162,922</u>	<u>\$ 1,213,636</u>
Current Liabilities	\$ 385,851	\$ 388,305	\$ 386,540	\$ 256,677
Net Assets:				
Unrestricted	768,158	803,102	776,382	956,959
	<u>\$ 1,154,009</u>	<u>\$ 1,191,407</u>	<u>\$ 1,162,922</u>	<u>\$ 1,213,636</u>
Income Statement Summary:				
Operating Income (Loss)	\$ (106,961)	\$ (53,347)	\$ (259,229)	\$ (127,427)
Nonoperating Rev (Expenses)	72,017	80,067	78,652	80,467
Change in Net Assets	<u>\$ (34,944)</u>	<u>\$ 26,720</u>	<u>\$ (180,577)</u>	<u>\$ (46,960)</u>

Financial Statement Notations

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7 Long-Term Obligations	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>
General Obligation Bonds	\$ 13,175,000	\$ 8,110,000	\$ 9,020,000	\$ 9,900,000
General Obligation Notes	3,980,000	663,204	779,764	891,829
	<u>17,155,000</u>	<u>8,773,204</u>	<u>9,799,764</u>	<u>10,791,829</u>
Early Retirement Incentive Liability				
General County	-	-	300,940	-
Highway	-	-	94,788	-
Other Postemployment Benefits Payable				
General County	159,488	225,397	273,025	187,891
Highway	42,342	60,274	72,751	-
Vested Sick Leave and Vacation:				
General County	2,252,835	2,082,033	1,996,801	2,010,523
Highway	907,366	935,219	904,787	783,893
	<u>\$ 20,517,031</u>	<u>\$ 12,076,127</u>	<u>\$ 13,442,856</u>	<u>\$ 13,774,136</u>
 General Obligation Debt as Percent of Debt Limitation	 7.5%	 3.9%	 4.3%	 4.7%



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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, 2011 (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 9 through 14 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.

CliftonLarsonAllen LLP
CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 20, 2012