

**CHIPPEWA COUNTY, WISCONSIN**  
**FEDERAL AND STATE SINGLE AUDIT REPORTS**  
**YEAR ENDED DECEMBER 31, 2011**

**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, 2011, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 20, 2012. These financial statements are the responsibility of County management. Our responsibility is to express opinions on these 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the County's 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 that collectively comprise the County's financial statements as a whole. The accompanying schedule of expenditures of federal awards and schedule of 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. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP

Eau Claire, Wisconsin  
July 20, 2012

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2011**

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
		1/1/11	Adjustments			Reimburse- ments	Share	12/31/11
<b>Department of Agriculture</b>								
Passed through Wisconsin Department of Agriculture, Trade and Consumer Protection:								
Conservation Reserve Enhancement Program:								
	10.069	\$ -	\$ -	\$ 84,664	\$ -	\$ 83,840	\$ -	\$ 824
1/11/02-1/31/13 ARM-LWR-280								
8/26/10-9/30/11 65-5F48-0-029		-	-	4,592	4,592	-	4,592	4,592
Passed through Wisconsin Department of Health Services:								
Special Supplemental Food Program for Women, Infants and Children:								
	10.557	-	-	286,501	500	264,287	500	22,214
2011		-	-	-	-	44,272	-	-
2010		44,272	-	-	-	-	-	-
CYSHCN Nutrition Grant								
	10.557	-	-	2,800	-	2,800	-	-
1/1/11-6/30/11								
State Matching Grant for Food Stamp Program:								
	10.561	-	-	282,074	1,260	237,537	1,260	44,537
2011		-	-	-	-	39,052	-	-
2010		39,052	-	-	-	-	-	-
Total Department of Agriculture		83,324	-	660,631	6,352	671,788	6,352	72,167
<b>Department of Housing and Urban Development</b>								
Passed through Wisconsin Department of Administration:								
Community Development Block Grant:								
	14.228	-	-	25,000	113,954	25,000	113,954	-
2011 CSOAR04								
<b>Department of Justice</b>								
Direct Grant:								
Bulletproof Vest Partnership Program:								
	16.607	-	1,544	-	-	1,544	-	-
4/1/09-9/30/11								
Passed through Wisconsin Office of Justice Assistance:								
Juvenile Justice and Delinquency Prevention								
	16.540	5,250	-	-	-	5,250	-	-
9/1/10-6/30/11 2009-JF-19-8225								
Edward Byrne Memorial Justice Assistance:								
	16.738	10,923	-	13,262	-	21,808	-	2,377
7/1/10-6/30/11 2009-DJ-02-8460								
7/1/09-6/30/10 2008-DJ-02-7592		5,625	-	-	-	5,625	-	-
Passed through Eau Claire County:								
Byrne Grant Allocation:								
	16.580	-	-	5,728	-	-	-	5,728
2011		-	-	-	-	5,644	-	-
2010		5,644	-	-	-	-	-	-
Passed Through Taylor County								
Congressionally Selected Awards Program								
	16.753	-	-	6,200	-	6,200	-	-
2011		-	-	250,000	-	250,000	-	-
2011 Noncash assistance		-	-	-	-	-	-	-
Total Department of Justice		27,442	1,544	275,190	-	296,071	-	8,105

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/11
		Reimbursements 1/1/11	Prior Years Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	
<b>Department of Transportation</b>								
Passed through Wisconsin Department of Transportation:								
Highway Planning and Construction Assistance Projects - ARRA:	20.205 (A)							
CTHS "F" #8907-06-70		\$ -	\$ -	\$ 163,800	\$ -	\$ 116,124	\$ -	\$ 47,676
CTHS "N" #7865-03-73		183,100	-	-	-	183,100	-	-
CTHS "B" #8913-06-70		-	-	836,200	650,940	129,321	650,940	706,879
CTHS "CC" #8908-03-70		70,686	-	336,825	316,762	-	316,762	407,511
CTHS "J" Bridge #7864-00-73		180,000	-	-	-	119,762	-	60,238
CTHS "X" Bridge #8319-04-73		-	-	228,477	57,119	134,018	57,119	94,459
CTHS "M" Bridge #8902-01-71		108,046	-	-	-	108,046	-	-
CTHS "O" Bridge #8920-06-71		95,928	-	-	-	95,928	-	-
Commercial Driver License Improvement Grant:	20.232							
10/12/10-10/12/11		-	-	71,955	-	-	-	71,955
Highway Safety:	20.600							
10/1/11-9/30/12 #0952-25-25		-	-	2,332	-	-	-	2,332
10/1/11-9/30/12 #0952-40-39		-	-	1,735	-	-	-	1,735
10/1/11-9/30/12 #0952-31-21		-	-	2,363	-	-	-	2,363
10/1/10-9/30/11		932	-	17,349	-	18,281	-	-
Passed through Wisconsin Department of Natural Resources:								
National Recreational Trails Grant:	20.219 (A)							
10/28/10-6/30/12 RTA-416-09		-	-	4,347	4,997	4,347	4,997	-
Passed through Wisconsin Department of Military Affairs:								
Interagency Hazardous Materials Training and Planning:	20.703							
10/1/11-9/30/12		-	-	1,528	-	1,528	-	-
10/1/10-9/30/11		644	-	-	-	644	-	-
Total Department of Transportation		639,336	-	1,666,911	1,029,818	911,099	1,029,818	1,395,148
<b>Environmental Protection Agency</b>								
Passed through Wisconsin Department of Health Services:								
Radon Outreach	66.032							
2011		-	-	3,500	-	3,500	-	-
2010		6	-	-	-	6	-	-
Total Environmental Protection Agency		6	-	3,500	-	3,506	-	-
<b>Department of Energy</b>								
Passed through Wisconsin Department of Administration								
Energy Efficiency and Conservation Block Grant - ARRA	81.128							
6/24/10-9/30/12 EECBG FY10-1117		78,281	-	146,719	116,346	180,000	116,346	45,000
<b>Department of Education</b>								
Passed through Wisconsin Department of Health Services:								
Grants for Infants and Toddlers:	84.181 (B)							
2011		-	-	50,598	-	50,598	-	-
Passed through Wisconsin Department of Corrections:								
Special Education - Grants for Infants and Families - ARRA	84.393 (B)							
2011		-	-	16,107	-	16,107	-	-
2010		5,281	-	-	-	5,281	-	-
Total Department of Education		5,281	-	66,705	-	71,986	-	-

(A) = Highway Planning and Construction Cluster

(B) = Early Intervention Services (IDEA) Cluster

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/11
		Reimbursements 1/1/11	Prior Years Adjustments	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:								
2011	93.043	\$ -	\$ -	\$ 4,341	\$ 483	\$ 977	\$ 483	\$ 3,364
2010		2,511	-	-	-	2,511	-	-
Supportive Services - Title III B:								
2011	93.044 (C)	-	-	62,448	16,059	30,133	16,059	32,315
2010		10,631	-	-	-	10,631	-	-
Title III-Part C-Nutrition Services:								
Congregate Nutrition - Title III C-1:								
2011	93.045 (C)	-	-	55,132	29,843	37,825	29,843	17,307
2010		7,209	-	-	-	7,209	-	-
Home Delivered Nutrition - Title III C-2:								
2011		-	-	37,078	154,086	65,260	154,086	(28,182)
2010		5,300	-	-	-	5,300	-	-
National Family Caregivers Support Program:								
2011	93.052	-	-	28,944	9,650	16,146	9,650	12,798
2010		8,945	-	-	-	8,945	-	-
Nutrition Services Incentive Program:								
10/1/11-9/30/12	93.053 (C)	-	-	-	-	8,397	-	(8,397)
10/1/10-9/30/11		-	-	37,318	-	37,318	-	-
10/1/09-9/30/10		3,599	-	-	-	3,599	-	-
Medicare Improvements for Patients and Providers								
10/1/10-8/31/12	93.518	-	-	4,039	-	3,416	-	623
State Health Insurance Assistance Program:								
4/1/10-3/31/11	93.779	709	-	7,718	-	8,427	-	-
Passed through Wisconsin Department of Health Services:								
Public Health Emergency Preparedness:								
Biot Focus A Planning:								
2011	93.069	-	-	52,160	2,520	52,160	2,520	-
2010		3,364	-	-	-	3,364	-	-
Public Health Emergency Preparedness (PHER):								
2010		(43,900)	-	-	-	(43,900)	-	-
Public Health Emergency Preparedness (PHER 3):								
2011		-	-	4,648	-	4,648	-	-
2010		9,175	-	-	-	9,175	-	-
Autism Programs:								
2011	93.110	-	-	11,829	-	11,829	-	-
2010		4,921	-	-	-	4,921	-	-
Childhood Immunization Grants:								
Women, Infants, and Children:								
2011	93.268 (D)	-	-	15,713	-	15,713	-	-
2010		1	-	-	-	1	-	-

(C) = Aging Cluster

(D) = Immunization Cluster

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

**CHIPPEWA COUNTY, WISCONSIN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/11
		Reimbursements 1/1/11	Prior Years Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	
<b>Department of Health and Human Services (Continued)</b>								
Passed through Wisconsin Department of Health Services: (Continued)								
CDC Investigations and Technical Assistance:	93.283							
2010		\$ 1,987	\$ -	\$ -	\$ -	\$ 1,987	\$ -	\$ -
HCR-Infrastructure & QI	93.507							
2011		-	-	12,000	-	12,000	-	-
Temporary Assistance for Needy Families:	93.558							
Social Services and Community Programs Contract:								
2011		-	-	103,350	-	103,350	-	-
2010		4,096	-	-	-	4,096	-	-
Social Services Block Grant:	93.667							
Social Services and Community Programs Contract:								
2011		-	-	7,224	-	7,291	-	(67)
2010		1,008	-	-	-	1,008	-	-
Human Services Contract:								
Base Allocation:								
2011		-	-	202,321	-	202,321	-	-
Immunization Program - ARRA	93.712 (D)							
2011		-	-	2,354	1	2,354	1	-
2010		3,488	-	-	-	3,488	-	-
Prev Wellness Component - ARRA	93.723							
2011		-	-	5,033	-	5,033	-	-
State Children's Insurance Program:	93.767							
2011		-	-	31,132	-	26,717	-	4,415
2010		5,445	-	-	-	5,445	-	-
Medical Assistance Program:	93.778							
Social Services and Community Programs Contract:	**							
2011		-	-	1,099,917	(817)	964,923	(817)	134,994
2010		239,474	-	-	-	239,474	-	-
Case Management:	**							
2011		-	-	54,089	-	54,089	-	-
Targeted Case Management								
2010		488	-	-	-	488	-	-
Wisconsin Medicaid Cost Reporting Program:	**							
2011		-	-	252,154	-	252,154	-	-
Aging and Disability Resource Center:	**							
2011		-	-	207,241	-	154,376	-	52,865
2010		85,501	-	-	-	85,501	-	-
Maternal and Child Health Services:								
2011		-	-	1,656	-	1,656	-	-
BadgerCare Core Plan:								
2011		-	-	15,068	15,067	15,068	15,067	-

(D) = Immunization Cluster

\*\* Major State Financial Assistance Program

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)		Expenditures		Receipts		Accrued (Deferred) Reimbursements 12/31/11
		Reimbursements 1/1/11	Prior Years Adjustments	Federal	Local	Grant Reimburse- ments	Local Share	
<b>Department of Health and Human Services (Continued)</b>								
Passed through Wisconsin Department of Health Services: (Continued)								
Block Grants for Community Mental Health Services:	93.958							
2011		\$ -	\$ -	\$ 96,992	\$ -	\$ 27,036	\$ -	\$ 69,956
2010		1,465	-	-	-	1,465	-	-
Block Grants for Prevention and Treatment of Substance Abuse:	93.959							
2011		-	-	96,341	-	96,341	-	-
2010		39,220	-	-	-	39,220	-	-
Preventive Health and Health Service Block Grant:	93.991							
2011		-	-	6,221	-	6,221	-	-
2010		1	-	-	-	1	-	-
Maternal and Child Health Services Block Grant: Statewide - Performance Based:	93.994							
2011		-	-	143,420	-	136,966	-	6,454
2010		20,490	-	-	-	20,490	-	-
Consolidated Contract:								
2011		-	-	21,697	-	21,697	-	-
2010		2	-	-	-	2	-	-
First Breath / My Baby and Me								
2011		-	(550)	617	-	2,000	-	(1,933)
Reproductive Health EIDPLHD:								
2010		8	-	-	-	8	-	-
Passed through Wisconsin Department of Children and Families:								
Enhance the Safety of Children Affected by Substance Abuse:	93.087							
2011		-	-	24,000	486	17,751	486	6,249
2010		5,445	-	-	-	5,445	-	-
Family Preservation and Support Services:	93.556							
2011		-	-	46,350	19,515	46,350	19,515	-
2010		-	-	-	-	-	-	-
Temporary Assistance for Needy Families:	93.558							
2011		-	-	90,310	2,705	84,880	2,705	5,430
2010		-	-	-	-	-	-	-
Child Support Enforcement Program (Title IV-D):	93.563							
2011		-	-	514,360	162,645	386,204	162,645	128,156
2010		47,359	-	-	-	47,359	-	-
Child Care Development:	93.596**							
Child Care Programs Contract:								
2011		-	-	122,273	-	101,844	-	20,429
2010		(6,516)	-	-	-	(6,516)	-	-
Chafee Education and Training Vouchers Program:	93.599							
2011		-	-	1,426	-	945	-	481
2010		(592)	-	-	-	(592)	-	-

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

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 12/31/11
		Reimbursements 1/1/11						
<u>Department of Health and Human Services (Continued)</u>								
Passed through Wisconsin Department of Children and Families: (Continued)								
Child Welfare Services:	93.645							
Basic Children and Families Allocation 2011		\$ -	\$ -	\$ 26,913	\$ -	\$ 26,913	\$ -	\$ -
Foster Care-Title IV-E:	93.658							
2011		-	-	367,651	-	367,620	-	31
2010		1,816	-	-	-	1,816	-	-
Social Services Block Grant:	93.667							
Basic Children and Families Allocation 2011		-	-	41,022	-	41,022	-	-
Child Care Expansion:	93.674							
CW IV-E Youth Independent Living: 2011		-	-	18,268	-	19,539	-	(1,271)
Passed through Wisconsin Department of Administration:								
Low-Income Home Energy Assistance:	93.568							
10/1/11-9/30/12 AD119551.09		-	-	21,687	-	4,733	-	16,954
10/1/10-9/30/11 AD109449.09		24,484	-	62,301	-	86,785	-	-
Passed through Wisconsin Department of Corrections:								
Child Welfare Services:	93.645							
Non-CARS:								
2011		-	-	6,239	6,914	7,259	6,914	(1,020)
2010		1,157	-	-	-	1,157	-	-
Foster Care - Title IV-E:	93.658							
Non-CARS:								
2011		-	-	9,012	9,987	10,484	9,987	(1,472)
2010		1,672	-	-	-	1,672	-	-
CDC Addressing Asthma from a Public Health Perspective:	93.283							
9/1/11-8/31/12		-	-	1,537	-	1,537	-	-
9/1/10-8/31/11		958	-	2,982	-	3,940	-	-
Total Department of Health and Human Services		490,921	(550)	4,036,526	429,144	4,056,418	429,144	470,479

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

Federal Grantor Agency/Pass-Through Agency/ Program Title and Year	Federal CFDA #	Accrued (Deferred)	Prior Years Adjustments	Expenditures		Receipts		Accrued (Deferred)
		Reimbursements 1/1/11		Federal	Local	Grant Reimburse- ments	Local Share	Reimbursements 12/31/11
<b>Department of Homeland Security</b>								
Passed through Wisconsin Office of Justice Assistance:								
Emergency Management Performance Grants:								
10/1/11-9/30/12	97.042	\$ -	\$ -	\$ 13,881	\$ -	\$ -	\$ -	\$ 13,881
10/1/10-9/30/11		12,644	-	43,715	70,054	25,762	70,054	30,597
10/1/09-9/30/10		28,736	-	-	-	28,736	-	-
Homeland Security Advanced Research Projects:								
12/1/10-5/26/11	2008-HS-05-8712	-	-	60,679	12,533	60,679	12,533	-
11/1/10-6/30/11	2008-HS-11-8336	-	-	3,928	-	3,928	-	-
3/1/10-12/31/10	2009-HS-04-7678	5,661	-	-	-	5,661	-	-
Total Department of Homeland Security		47,041	-	122,203	82,587	124,766	82,587	44,478
<b>TOTAL FEDERAL AWARDS</b>		<b>\$ 1,371,632</b>	<b>\$ 994</b>	<b>\$ 7,003,385</b>	<b>\$ 1,778,201</b>	<b>\$ 6,340,634</b>	<b>\$ 1,778,201</b>	<b>\$ 2,035,377</b>

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)		Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/11
		Reimbursements 1/1/11	Prior Years Adjustments		Grant Reimburse- ments	Local Share	
<u>Department of Agriculture, Trade and Consumer Protection</u>							
Clean Sweep Program:	115.040						
2011		\$ -	\$ -	\$ 20,128	\$ 14,300	\$ 5,828	\$ -
Soil and Water Resource Management: County Staff and Support:	115.15**						
2011		-	-	326,002	-	151,815	174,187
2010		12,415	-	-	12,415	-	-
Land and Water Resource Management Projects:	115.40**						
2011		-	-	35,944	35,944	-	-
2010		26,505	-	-	26,505	-	-
Total Department of Agriculture, Trade and Consumer Protection		<u>38,920</u>	<u>-</u>	<u>382,074</u>	<u>89,164</u>	<u>157,643</u>	<u>174,187</u>
<u>Department of Administration</u>							
Environmental Aids - Private Sewage System:	143.110						
Private Sewage System Grants: 2/1/10-12/31/11		-	-	14,460	14,460	-	-
<u>Department of Natural Resources</u>							
Boating Enforcement Aids:	370.550						
2011		-	-	19,409	-	-	19,409
2010		-	10,054	-	10,054	-	-
All-Terrain Vehicle Enforcement Aids:	370.551						
5/1/10-4/30/11		-	-	7,581	7,105	476	-
Snowmobile Enforcement Aids:	370.552						
5/1/10-4/30/11		-	-	13,458	9,538	3,920	-
Wildlife Damage Claims and Abatement: Administration and Abatement:	370.553						
2011		-	-	15,287	8,363	-	6,924
2010		6,550	-	-	6,550	-	-
Recreational Aids - Fish, Wildlife and Forestry:	370.564						
2011		(4,452)	-	1,981	1,683	-	(4,154)
County Forest Aids:	370.567						
2011		-	-	16,059	16,059	-	-
Urban and Community Forestry: Forest Administration Grant:	370.572						
2011		-	-	39,345	39,345	-	-
Sustainable Forestry Grant: 12/7/10-12/7/12		-	-	15,074	15,074	-	-

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)		Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/11
		Reimbursements 1/1/11	Prior Years Adjustments		Grant Reimburse- ments	Local Share	
<u>Department of Natural Resources (Continued)</u>							
Snowmobile Trails and Areas:	370.574						
7/1/11-6/30/12   #S-4003		\$ -	\$ -	\$ -	\$ 45,200	\$ -	\$ (45,200)
7/1/10-6/30/11   #S-3870		(45,200)	-	90,400	45,200	-	-
7/1/09-6/30/10   #S-3743		19,149	-	-	19,149	-	-
Snowmobile Trails and Areas (Transp. Fd.):	370.575						
9/17/10-6/30/12   #S-3935		-	-	35,480	-	-	35,480
7/1/10-6/30/11   #S-3870		-	-	78,240	39,120	31,678	7,442
10/7/09-6/30/11   #S-3810		(8,305)	-	402	(7,903)	-	-
All-Terrain Vehicle Aids (Transp. Fd.):	370.576						
7/1/10-6/30/11   ATV-2011		(1,995)	-	5,370	-	-	3,375
Lakes Management Grants:	370.663						
10/1/08-6/30/11   LPL-1248-09		(7,500)	-	12,257	-	3,064	1,693
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)
Municipal and County Recycling Grants:	370.670**						
2011		-	-	544,743	202,569	342,174	-
Knowles-Nelson Stewardship Program	370.TA1**						
5/10/11-6/30/12   SCF3-1006		-	-	454,656	227,328	227,328	-
11/10/10-6/30/12   S-ALDP3-1079		127,995	-	-	127,995	-	-
11/11/10-6/30/12   S-ALDP3-1081		34,312	-	-	34,312	-	-
Total Department of Natural Resources		111,804	10,054	1,349,742	846,741	608,640	16,219
<u>Department of Transportation</u>							
Elderly and Handicapped County Aids:	395.101**						
Elderly and Handicapped Transportation:							
2011		-	-	99,593	159,121	20,472	(80,000)
2010		(98,396)	-	98,396	-	-	-
Total Department of Transportation		(98,396)	-	197,989	159,121	20,472	(80,000)
<u>Department of Corrections</u>							
Capacity Building for Early Intervention:	410.302						
7/1/11-6/30/12		-	-	12,830	-	-	12,830
7/1/10-6/30/11		11,360	-	11,360	22,720	-	-
Youth Aids Community:	410.313**						
2011		-	-	1,429,322	788,772	751,355	(110,805)
2010		125,726	-	-	125,726	-	-
Total Department of Corrections		137,086	-	1,453,512	937,218	751,355	(97,975)

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/11			Grant Reimburse- ments	Local Share	Reimbursements 12/31/11
<b>Department of Health Services</b>							
W-2 and Non-W2 Funeral and Cemetery:							
Social Services and Community Programs Contract:	435.105						
2011		\$ -	\$ -	\$ 78,536	\$ 33,440	\$ -	\$ 45,096
2010		18,054	-	-	18,054	-	-
Medical Assistance Transportation Program:							
Social Services and Community Programs Contract:	435.131						
2011		-	-	35,713	36,863	-	(1,150)
2010		11,011	-	-	11,011	-	-
Social Services and Community Programs Administration:	435.132						
2011		-	-	348	348	-	-
2010		213	-	-	213	-	-
FSET Administration GPR/FED Base:	435.231						
2011		-	-	33,720	27,622	-	6,098
2010		1,445	-	-	1,445	-	-
FSET Transportation GPR/FED Base:	435.233						
2011		-	-	12,911	7,233	1,260	4,418
2010		(1,062)	-	-	(1,062)	-	-
FSET Retention GPR/FED Base:	435.235						
2011		-	-	2,231	889	-	1,342
Fluoride Supplement Program:	435.151734						
2011		-	-	2,040	2,040	-	-
2010		239	-	-	239	-	-
WIC Farmers Market Grant:	435.154720						
2011		-	-	2,033	1,748	-	285
2010		420	-	-	420	-	-
WWWP - GPR:	435.157000						
2011		-	-	24,207	24,207	-	-
2010		2	-	-	2	-	-
Consolidated Contract - CHHD LD:	435.157720						
2011		-	-	7,664	7,664	-	-
2010		8	-	-	8	-	-
TPCP - Wisconsin WINS:	435.158127						
2011		-	-	5,655	4,861	-	794
2010		2,712	-	-	2,712	-	-
Maternal and Health Services Block Grant:	435.159320						
2011		-	-	1,656	1,656	-	-
IM Available Allocation:	435.283**						
Income Maintenance Contract:							
2011		-	-	575,456	269,317	302,143	3,996

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/11
					Grant Reimburse- ments	Local Share	
<u>Department of Health Services (Continued)</u>							
IM Available Allocation Federal Share:	435.284**						
Income Maintenance Contract:							
2011		\$ -	\$ -	\$ 35,102	\$ 30,124	\$ -	\$ 4,978
2010		4,234	-	-	4,234	-	-
Medicaid Subrogation Collection:	435.291						
Income Maintenance Contract:							
2011		-	-	(5,443)	(3,253)	(817)	(1,373)
2010		(1,699)	-	-	(1,699)	-	-
Adult Protective Services:	435.312						
2011		-	-	55,548	55,548	-	-
Community Options Program:	435.367**						
2011		-	-	98,990	47,511	-	51,479
2010		68,751	-	-	68,751	-	-
Alzheimer's Family Support:	435.381						
2010		635	-	-	635	-	-
CLTS GPR:	435.450**						
2011		-	-	130,171	133,459	-	(3,288)
2010		13,013	-	-	13,013	-	-
CLTS MH Non-Federal:	435.451**						
2011		-	-	15,205	568	-	14,637
CLTS DD Non-Federal Other:	435.460**						
2011		-	-	62,582	52,918	-	9,664
2010		2,022	-	-	2,022	-	-
CLTS MH Non-Federal Other:	435.461**						
2011		-	-	56,635	56,635	-	-
2010		9,132	-	-	9,132	-	-
CLTS PD Non-Federal Other:	435.462**						
2011		-	-	13,225	10,841	-	2,384
2010		(13,880)	-	-	(13,880)	-	-
Community Support Program Waiting List:	435.504						
2011		-	-	52,999	52,784	-	215
Certified Mental Health Program:	435.517						
2011		-	-	30,535	20,709	-	9,826
2010		6,902	-	-	6,902	-	-
Integrated Service Programs for Children with Severe Disabilities:	435.530						
2011		-	-	9,144	56,049	-	(46,905)
2010		16,873	-	-	16,873	-	-

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)		Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/11
		Reimbursements 1/1/11	Prior Years Adjustments		Grant Reimburse- ments	Local Share	
<b>Department of Health Services (Continued)</b>							
Birth-to-Three Initiative:	435.550						
2011		\$ -	\$ -	\$ 48,381	\$ 48,381	\$ -	\$ -
Aging and Disability Resource Center:	435.560100**						
2011		-	-	336,790	339,888	-	(3,098)
2010		(4,480)	-	-	(4,480)	-	-
2009		51,467	-	-	51,467	-	-
Basic County Allocation - State Funded:	435.561**						
2011		-	-	1,446,023	1,446,023	-	-
Family Support Program:	435.577						
2011		-	-	58,773	42,107	-	16,666
2010		10,825	-	-	10,825	-	-
State Senior Community Services:							
State/County Match:	435.681**						
2011		-	-	1,980,389	186,037	1,794,352	-
Case Review	437.3346						
2010		6,167	-	-	6,167	-	-
State/County Match:	437.3681**						
2010		981	-	-	981	-	-
Passed through Area Agency on Aging:							
Elderly Benefit Specialist Program:	435.560320						
2011		-	-	31,320	26,144	3,144	2,032
2010		11,148	-	-	11,148	-	-
State Pharmaceutical Assistance Program:	435.560327						
7/1/11-6/30/12		-	-	275	-	-	275
7/1/10-6/30/11		-	-	7,010	7,010	-	-
State Senior Community Services:	435.560330						
2011		-	-	9,666	7,449	1,378	839
Passed through Area Agency on Aging: (Continued)							
Congregate Nutrition:	435.560350						
2011		-	-	144,499	64,322	50,746	29,431
2010		4,883	-	-	4,883	-	-
Special Programs for the Aging - Title III, Part C:	435.560360						
2011		-	-	24,621	8,405	19,846	(3,630)
2010		679	-	-	679	-	-
Alzheimer's Family Caregiver Support:	435.560381						
2011		-	-	17,152	8,312	-	8,840
Special Programs for the Aging - Programs for Prevention:	435.560490						
2011		-	-	27,961	15,560	-	12,401
Total Department of Health Services		220,695	-	5,469,723	3,352,114	2,172,052	166,252

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred) Reimbursements 1/1/11	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred) Reimbursements 12/31/11
					Grant Reimburse- ments	Local Share	
<b>Department of Children and Families</b>							
CW Adam Walsh Foster/Adoptive Parent Fingerprinting 2011	437.3324	\$ -	\$ -	\$ 270	\$ 185	\$ -	\$ 85
2010		205	-	-	205	-	-
Basic Children and Families Allocation 2011	437.3561**	-	-	298,372	298,372	-	-
CW WSACWIS Annual Op Maint Fee 2011	437.3604	-	-	(7,573)	(7,573)	-	-
CW Leadership Initiative 2011	437.3611	-	-	4,120	-	-	4,120
CW Children and Families Allocations 2011	437.3681**	-	-	70,422	-	9,105	61,317
Child Support - State Share: 2011	437.7502	(80,485)	-	80,885	-	-	400
Total Department of Children and Families		(80,280)	-	446,496	291,189	9,105	65,922
<b>Department of Justice</b>							
Victim and Witness Assistance Program: 2011	455.532	-	-	135,336	39,972	67,332	28,032
2010		41,228	-	-	41,228	-	-
Total Department of Justice		41,228	-	135,336	81,200	67,332	28,032
<b>Department of Military Affairs</b>							
Emergency Planning Grant Program: LEPC Emergency Planning Grant: 10/1/11-9/30/12	465.337	-	-	4,167	-	-	4,167
10/1/10-9/30/11		4,167	-	13,711	8,333	1,212	8,333
10/1/09-9/30/10		8,019	-	-	8,019	-	-
Computer and Hazmat Equipment: 2011	465.367	-	-	11,028	-	2,206	8,822
2010		8,652	-	-	8,652	-	-
Total Department of Military Affairs		20,838	-	28,906	25,004	3,418	21,322

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

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE (CONTINUED)  
YEAR ENDED DECEMBER 31, 2011**

State Grantor Agency/ Program Title and Year	State I.D. Number	Accrued (Deferred)	Prior Years Adjustments	Expenditures	Receipts		Accrued (Deferred)
		Reimbursements 1/1/11			Grant Reimburse- ments	Local Share	Reimbursements 12/31/11
<b>Department of Administration</b>							
Utility Public Benefits:	505.371						
10/1/11-9/30/12 Contract #AD119551.09		\$ -	\$ -	\$ 20,398	\$ 6,048	\$ -	\$ 14,350
10/1/10-9/30/11 Contract #AD109449.09		13,985	-	38,276	46,980	5,281	-
Land Information Board Grants:	505.118						
2011 Training Grant		-	-	300	300	-	-
Total Department of Administration		<u>13,985</u>	<u>-</u>	<u>58,974</u>	<u>53,328</u>	<u>5,281</u>	<u>14,350</u>
Subtotal State Financial Assistance		<u>\$ 405,880</u>	<u>\$ 10,054</u>	<u>\$ 9,537,212</u>	<u>\$ 5,849,539</u>	<u>\$ 3,795,298</u>	<u>\$ 308,309</u>
Deduct: Local Share of Expenditures				<u>(3,795,298)</u>			
<b>TOTAL STATE FINANCIAL ASSISTANCE EXPENDITURES</b>				<u>\$ 5,741,914</u>			

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

**CHIPPEWA COUNTY, WISCONSIN**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**December 31, 2011**

**NOTE 1 REPORTING ENTITY**

Chippewa County (the County) is governed by a board of supervisors consisting of twenty-nine elected members. The size of the board was reduced to fifteen after year-end.

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, 2011 accrued (deferred) reimbursement balances of the individual programs based on subsequent funding of the programs in 2011 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, 2011**

**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, 2011 are summarized as follows:

Balance January 1, 2011	\$ 375,063
Loan Repayments	111,654
Interest Accrued to Fund	1,588
Loans Made from Fund	(277,280)
Administration Paid from Fund	(51,481)
Balance December 31, 2011	<u>\$ 159,544</u>

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



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**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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 20, 2012. 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 entity'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 was not designed to 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 below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider Items 2011-01 through 2011-03 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 written 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 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.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 20, 2012



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**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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2011. 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 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion the County complied, in all material respects, with the compliance 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, 2011.

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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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.



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
July 20, 2012

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2011**

**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 2011-01 through 2011-03.
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 and state 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 and State Single Audit Guidelines."
5. 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.
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 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.
8. The threshold for distinguishing Types A and B programs was \$300,000 for federal award programs and \$100,000 for state financial assistance programs.
9. The County did not qualify as a low-risk auditee as defined in OMB Circular A-133.
10. A summary schedule of prior year audit findings has not been included since there were no prior year findings related to major federal awards and major state financial assistance programs. Prior year findings related to internal control over financial reporting and have been repeated.

**CHIPPEWA COUNTY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
DECEMBER 31, 2011**

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

**FINDING: 2011-01    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, 2011**

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

**FINDING: 2011-02 Material Audit Adjustments**

- Condition:** The audit firm proposed and the County posted to its general ledger accounts 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, 2011**

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

**FINDING: 2011-03    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, 2011**

**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, 2011**

**FEDERAL PROGRAMS**

The following federal programs were tested as major programs:

<u>CFDA #</u>	<u>Program Title</u>	<u>Amount</u>
20.205 and 20.219	Federal Highway Aid Cluster	\$ 1,569,649
93.563	Child Support Enforcement	514,360
93.658	Foster Care - Title IV-E	376,663
93.778	Medical Assistance Program	1,630,125
		<u>\$ 4,090,797</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	\$ 174,187
115.40	Land and Water Resource Management Projects	35,944
370.670	Recycling Program	202,569
370.TA1	Knowles-Nelson Stewardship Program	227,328
395.101	Elderly and Handicapped Transportation	177,517
410.313	Youth Aids	677,967
435.283	IM Available Allocation	273,313
435.284	IM Available Allocation Federal Share	35,102
435.367	Community Options Program	98,990
435.450	Children's Long-Term Support GPR	130,171
435.451	Children's Long-Term Support MH Non-Federal	15,205
435.460	Children's Long-Term Support DD Non-Federal Other	62,582
435.461	Children's Long-Term Support MH Non-Federal Other	56,635
435.462	Children's Long-Term Support PD Non-Federal Other	13,225
435.560100	Aging and Disability Resource Center	336,790
435.561	Basic County Allocation	1,446,023
435.681	Community Services and MH Services - State/County Match	186,037
437.3561	Basic County Allocation	298,372
437.3681	State/County Match	61,317
		<u>\$ 4,509,274</u>
Federal Programs on Schedule of Expenditures of Federal Awards:		
93.596	Child Care Development	122,273
93.778	Medical Assistance Program - Human Services Contract	1,099,917
93.778	Medical Assistance Program - Case Management	54,089
93.778	Medical Assistance Program - WI Medicare Cost Reporting	252,154
93.778	Medical Assistance Program - Aging and Disability Resource Center	207,241
		<u>1,735,674</u>
		<u>\$ 6,244,948</u>