

**CHIPPEWA COUNTY, WISCONSIN**  
**EXECUTIVE AUDIT SUMMARY (EAS)**  
**DECEMBER 31, 2012**

**CHIPPEWA COUNTY, WISCONSIN  
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DECEMBER 31, 2012**

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## **Audit Report Summary**

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of Chippewa County's (the County) financial statements for the year ended December 31, 2012. 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 "unmodified" audit opinion.

*New* - Change in wording and format due to implementation of clarity audit standards.

### **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:**

2012-01 Annual Financial Reporting Under Generally Accepted Accounting Principals (GAAP)

2012-02 Material Audit Adjustments

2012-03 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.



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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, 2012, and have issued our report thereon dated July 22, 2013. Professional standards require that we provide you with the following information related to our audit.

#### Significant audit findings

##### *Qualitative aspects of accounting practices*

###### Accounting policies

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.

For the year ended December 31, 2012, the financial statements include the impact of adoption of Governmental Accounting Standards Board statement numbers 62 and 63.

GASBS 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, supersedes GASBS 20. GASBS 20 gave governments the choice to elect to follow only GASB's authoritative literature, or to follow FASB and AICPA pronouncements that did not conflict with GASB pronouncements. Upon adoption of GASBS 62, all governmental accounting guidance is codified into the GASB literature.

GASBS 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance on deferred outflows and inflows of resources. It also renames the residual amounts from "net assets" to "net position". These financial statements include the statement of net position, which reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Adoption of future GASB standards will include reporting of some items previously reported as assets and liabilities as deferred outflows and inflows of resources.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting estimates

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:

Estimated Useful Lives of Depreciable Capital Assets – Management's estimate of depreciation and 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, 2012 is based on historical trends and anticipated leave time activity.

Estimated Claims Payable – Management's estimate of claims payable accrued in the insurance internal service funds at December 31, 2012 is based on outside authoritative guidance.

Actuarial Assumptions – The actuarial assumptions used for other postemployment benefits payable are outlined in the notes to the basic financial statements.

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.

### Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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.

### ***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### ***Corrected misstatements***

The following material misstatements detected as a result of audit procedures were corrected by management: coding reclassifications, accrual adjustments, and fund activity reclassifications.

### ***Disagreements with management***

For purposes of this letter, a disagreement with management is 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. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated July 22, 2013.

***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 entity'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.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. The following summarizes the significant findings or issues arising from the audit that were discussed, or the subject of correspondence, with management:

- CliftonLarsonAllen LLP preparation of financial statements, lack of segregation of duties, and material audit adjustments.

***Other audit findings or issues***

We have provided a separate letter to you dated July 22, 2013, communicating internal control related matters identified during the audit.

***Other information in documents containing audited financial statements***

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 the reasons for any such changes, 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.

With respect to the schedule of expenditures of federal awards (SEFA) and schedule of state financial assistance (SSFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA and SSFA to determine that the SEFA and SSFA comply with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Guide, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA and SSFA are appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA and SSFA 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 22, 2013.

With respect to the combining and individual fund statements and schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of

preparing it has not changed from the prior period or the reasons for such changes, 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 22, 2013.

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 communication is intended solely for the information and use of the County Board and management of 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 22, 2013



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## APPENDIX B

### 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, 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.

New accounting standards effective for the December 31, 2014 financial statements include:

**GASB Statement No. 67, *Financial Reporting for Pension Plans***, issued June 2012. This statement replaces the requirements of Statement No. 25 for pension plans.

**GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, issued January 2013. This standard outlines the proper accounting and disclosure requirements for when a government either acquires new operations (purchase, merger, etc.) or eliminates existing operations (sale, discontinue, transfer, etc.).



## 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.

	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>General Fund Balance Sheet Summary:</b>				
Cash and Investments	\$ 15,040,578	\$ 15,072,978	\$ 14,204,060	\$ 12,237,099
Taxes Receivable:				
Current Taxes Receivable	14,109,481	13,065,586	12,896,722	12,450,340
Delinquent Taxes Receivable	1,586,242	1,931,263	2,014,977	2,155,271
Tax Deeds Owned by County	87,131	4,012	4,012	6,211
Accounts Receivable	953,515	987,437	851,356	1,116,945
Due from Other Funds	70,953	75,247	94,765	58,218
Long-Term Receivables	1,060,979	1,152,027	1,240,829	1,327,036
Other Assets	5,275	1,084	2,361	8,967
Total Assets	\$ 32,914,154	\$ 32,289,634	\$ 31,309,082	\$ 29,360,087
Payables	\$ 2,172,764	\$ 1,638,593	\$ 1,015,853	\$ 1,301,192
Deferred Revenues	15,402,239	14,299,494	14,307,078	13,880,145
Total Liabilities	17,575,003	15,938,087	15,322,931	15,181,337
Fund Balance:				
Nonspendable - Delinquent Taxes	1,673,373	1,935,275	2,018,989	2,161,482
Nonspendable - Other Purposes	5,275	1,084	2,361	8,967
Assigned	6,250,817	5,743,443	5,316,483	5,273,586
Unassigned	7,409,686	8,671,745	8,648,318	6,734,715
Total Fund Balance	15,339,151	16,351,547	15,986,151	14,178,750
	\$ 32,914,154	\$ 32,289,634	\$ 31,309,082	\$ 29,360,087
<b>% of Unassigned Fund Balance to</b>				
<b>General Fund Expenditures</b>				
	26.0%	30.5%	33.3%	25.3%
Revenues	\$ 26,584,900	\$ 26,933,268	\$ 25,236,268	\$ 25,983,582
Expenditures	(28,516,509)	(28,449,058)	(26,001,902)	(26,597,688)
Transfers In	2,650,624	2,558,918	2,589,110	3,256,072
Transfers Out	(1,731,411)	(677,732)	(16,075)	(670,768)
<b>Net Change in Fund Balance</b>	<b>\$ (1,012,396)</b>	<b>\$ 365,396</b>	<b>\$ 1,807,401</b>	<b>\$ 1,971,198</b>

<b>Financial Statement Notations</b>
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- 2 **Special Revenue Funds:** Special Revenue funds are used to account for the proceeds of specific revenues sources that are restricted to expenditures for specified purposes.

	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Special Revenue Fund Balances:</b>				
Human Services	\$ 1,216,780	\$ 1,089,108	\$ 925,000	\$ 649,991
County Sales Tax	8,359,299	4,665,814	4,190,767	3,843,786
C.D.B.G. Grant Fund	284,016	159,544	375,063	264,843
Public Health	97,337	104,927	83,541	56,191
Shelter Care	25,712	25,712	26,516	21,398
Dog Licenses	1,000	1,000	1,000	1,000
State Septic System Grant	-	-	-	-
Aging and Disability Resource Center	619,917	648,503	562,261	452,631
Land Management	235,269	218,466	200,949	270,688
Jail Assessment Fees	83,636	71,045	99,106	100,646
Economic Development	497,042	557,390	444,614	351,082
	\$ 11,420,008	\$ 7,541,509	\$ 6,908,817	\$ 6,012,256

- 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.

	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Capital Project Fund Balance:</b>				
2011/2012 Capital Projects Fund	\$ 1,574,975	\$ 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.

	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Debt Service Fund Balances:</b>				
CRI Debt Service	\$ -	\$ -	\$ -	\$ -
Refunding Bond Issue	-	9,305,485	2,804,752	2,479,633
2011/12 Capital Projects Debt	-	-	-	-
2011 Refunding Bonds	344,087	-	-	-
	\$ 344,087	\$ 9,305,485	\$ 2,804,752	\$ 2,479,633

<b>Financial Statement Notations</b>
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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			
	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Balance Sheet Summary:</b>				
Cash and Investments	\$ 369,817	\$ 405,053	\$ 429,169	\$ 501,480
Accounts Receivable	40,000	40,500	109,878	109,878
Notes Receivable	-	-	-	-
Property Held for Resale	1,830,384	1,830,384	1,830,384	1,830,384
Capital Assets (Net)	22,653	22,653	22,653	22,653
	\$ 2,262,854	\$ 2,298,590	\$ 2,392,084	\$ 2,464,395
Current Liabilities	\$ 13,181	\$ 4,589	\$ 4,589	\$ 4,589
Net Assets:				
Invested in Capital Assets	22,653	22,653	22,653	22,653
Unrestricted	2,227,020	2,271,348	2,364,842	2,437,153
	\$ 2,262,854	\$ 2,298,590	\$ 2,392,084	\$ 2,464,395
<b>Income Statement Summary:</b>				
Operating Income (Loss)	\$ (44,582)	\$ (93,714)	\$ (73,218)	\$ 144,999
Nonoperating Rev (Expenses)	254	220	907	(1,252)
Change in Net Assets	\$ (44,328)	\$ (93,494)	\$ (72,311)	\$ 143,747

## 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			
	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Summary Balance Sheets:</b>				
Current Assets	\$ 8,330,452	\$ 7,860,368	\$ 6,234,904	\$ 6,954,283
Capital Assets (Net)	11,587,910	11,549,031	12,050,029	12,420,930
	\$ 19,918,362	\$ 19,409,399	\$ 18,284,933	\$ 19,375,213
Current Liabilities	\$ 3,506,485	\$ 2,573,856	\$ 370,650	\$ 456,247
Noncurrent Accrued Employee Leave	580,076	664,756	690,408	665,042
Early Retirement Incentive Liability	-	-	-	63,192
Other Postemployment Benefits	28,743	42,342	60,274	72,751
Net Assets:				
Investment in Capital Assets	11,587,910	11,549,031	12,050,029	12,420,930
Restricted	-	-	-	1,034,035
Unrestricted	4,215,148	4,579,414	5,113,572	4,663,016
	\$ 19,918,362	\$ 19,409,399	\$ 18,284,933	\$ 19,375,213
<b>Income Statement Summary:</b>				
Operating Income (Loss)	\$ (1,469,185)	\$ (1,269,547)	\$ (1,166,772)	\$ (2,671,679)
Nonoperating Rev (Expenses)	7,921	(7,577)	13,876	296,039
Contributions and Transfers	1,135,877	241,968	198,516	922,631
Change in Net Assets	\$ (325,387)	\$ (1,035,156)	\$ (954,380)	\$ (1,453,009)
<b>Self-Funded Workers' Compensation</b>				
	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Summary Balance Sheets:</b>				
Current Assets	\$ 1,409,085	\$ 1,443,542	\$ 785,218	\$ 920,386
	\$ 1,409,085	\$ 1,443,542	\$ 785,218	\$ 920,386
Current Liabilities	\$ 959,779	\$ 943,542	\$ 880,069	\$ 905,789
Net Assets:				
Unrestricted	449,306	500,000	(94,851)	14,597
	\$ 1,409,085	\$ 1,443,542	\$ 785,218	\$ 920,386
<b>Income Statement Summary:</b>				
Operating Income (Loss)	\$ (51,499)	\$ (77,581)	\$ (112,305)	\$ (493,584)
Nonoperating Rev (Expenses)	805	700	2,857	8,181
Contributions and Transfers	-	671,732	-	-
Change in Net Assets	\$ (50,694)	\$ 594,851	\$ (109,448)	\$ (485,403)

<b>Financial Statement Notations</b>
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6 Internal Service Funds (continued):

	Self-Funded Health Insurance			
	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Summary Balance Sheets:</b>				
Current Assets	\$ 1,024,606	\$ 1,165,598	\$ 1,748,836	\$ 1,969,179
	<u>\$ 1,024,606</u>	<u>\$ 1,165,598</u>	<u>\$ 1,748,836</u>	<u>\$ 1,969,179</u>
Current Liabilities	\$ 20,780	\$ 354,387	\$ 387,487	\$ 333,990
Net Assets:				
Unrestricted	1,003,826	811,211	1,361,349	1,635,189
	<u>\$ 1,024,606</u>	<u>\$ 1,165,598</u>	<u>\$ 1,748,836</u>	<u>\$ 1,969,179</u>
<b>Income Statement Summary:</b>				
Operating Income (Loss)	\$ (1,511,976)	\$ (556,284)	\$ (172,774)	\$ 110,435
Nonoperating Rev (Expenses)	4,591	6,146	11,472	13,636
Contributions and Transfers	1,700,000	-	(112,538)	105,758
Change in Net Assets	<u>\$ 192,615</u>	<u>\$ (550,138)</u>	<u>\$ (273,840)</u>	<u>\$ 229,829</u>

	Self-Funded Liability Insurance			
	12/31/2012	12/31/2011	12/31/2010	12/31/2009
<b>Summary Balance Sheets:</b>				
Current Assets	\$ 523,521	\$ 403,682	\$ 441,080	\$ 412,595
Investment in WMMIC	750,327	750,327	750,327	750,327
	<u>\$ 1,273,848</u>	<u>\$ 1,154,009</u>	<u>\$ 1,191,407</u>	<u>\$ 1,162,922</u>
Current Liabilities	\$ 354,468	\$ 385,851	\$ 388,305	\$ 386,540
Net Assets:				
Unrestricted	919,380	768,158	803,102	776,382
	<u>\$ 1,273,848</u>	<u>\$ 1,154,009</u>	<u>\$ 1,191,407</u>	<u>\$ 1,162,922</u>
<b>Income Statement Summary:</b>				
Operating Income (Loss)	\$ 74,944	\$ (106,961)	\$ (53,347)	\$ (259,229)
Nonoperating Rev (Expenses)	76,278	72,017	80,067	78,652
Change in Net Assets	<u>\$ 151,222</u>	<u>\$ (34,944)</u>	<u>\$ 26,720</u>	<u>\$ (180,577)</u>

<b>Financial Statement Notations</b>
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7 Long-Term Obligations	12/31/2012	12/31/2011	12/31/2010	12/31/2009
General Obligation Bonds	\$ 6,010,000	\$ 13,175,000	\$ 8,110,000	\$ 9,020,000
General Obligation Notes	3,750,000	3,980,000	663,204	779,764
	9,760,000	17,155,000	8,773,204	9,799,764
Early Retirement Incentive Liability				
General County	-	-	-	300,940
Highway	-	-	-	94,788
Other Postemployment Benefits Payable				
General County	112,292	159,488	225,397	273,025
Highway	28,743	42,342	60,274	72,751
Vested Sick Leave and Vacation:				
General County	2,097,245	2,252,835	2,082,033	1,996,801
Highway	804,581	907,366	935,219	904,787
	\$ 12,802,861	\$ 20,517,031	\$ 12,076,127	\$ 13,442,856
 General Obligation Debt as Percent of Debt Limitation	 4.3%	 7.5%	 3.9%	 4.3%

**APPENDIX D**

**INDEPENDENT AUDITORS' REPORT  
ON CONDENSED FINANCIAL STATEMENTS**

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

We have audited the accompanying condensed financial statements, as presented on pages 7 through 12, of Chippewa County, Wisconsin as of and for the years ended December 31, 2012, 2011, 2010 and 2009.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.

***Basis for Adverse Opinion***

The accompanying condensed financial statements, as presented on pages 7 through 12, of Chippewa County, Wisconsin as of and for the years ended December 31, 2012, 2011, 2010 and 2009, do not present the financial position of Chippewa County, Wisconsin and the results of its operations and its cash flows in accordance with accounting principles generally accepted in the United States of America and do not include all the disclosures required by accounting principles generally accepted in the United States of America. The condensed financial statements referenced above are not intended to provide full disclosure financial statements. Rather, the intention is to provide summary multi-year trend information for the purposes of highlighting changes in activity.

***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the condensed financial statements referred to above do not present fairly, the financial statements of Chippewa County, Wisconsin as of and for the years ended December 31, 2012, 2011, 2010 and 2009 in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chippewa County, Wisconsin, as of and for the years ended December 31, 2012, 2011, 2010 and 2009, and the related notes to the financial statements (not presented herein) which collectively comprise the County's basic financial statements, and our reports thereon, dated July 22, 2013, July 20, 2012, July 22, 2011 and July 26, 2010, respectively, expressed unmodified opinions on those financial statements. Therefore, our opinions on the financial statements referred to in this paragraph are not modified as a result of the adverse opinion expressed on the condensed financial information presented on pages 7 through 12.



**CliftonLarsonAllen LLP**  
Eau Claire, Wisconsin  
July 22, 2013