

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

**DUNN COUNTY, WISCONSIN
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DECEMBER 31, 2011**

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AUDIT FINDINGS AND RESULTS

Audit Report Summary

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the County's financial records for the year ended December 31, 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 Material Audit Adjustments

Significant Deficiencies:

2011-02 Limited Segregation of Duties

Compliance

Our report on compliance included the following finding of noncompliance. Please refer to the schedule of findings and questioned costs included in the *Federal and State Single Audit Report* for full details regarding this finding.

Transit Operating Aids (State ID #395.104):

2011-03 During review of the County's transit system, it was noted that the schedule of fares did not include reduced rates for elderly and disabled persons during nonpeak hours pursuant to Wisconsin Administrative Code, Chapter Trans 4.08(4)(b).

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.

Cash and Investment Policies and Procedures

We found all cash and investments at year-end to be properly accounted for and reconciled. Therefore, we do not report a related deficiency in internal controls over financial reporting. However, during our testing and inquiries we made certain observations of mid-year practices which could be performed more efficiently through consideration of the following:

Other Items (Continued)

Cash and Investment Policies and Procedures (continued)

- The County has an effective process for reconciling bank activity on a monthly basis but falls short on reconciling the balances back to the general ledger. We suggest implementing a reconciliation and approval process to ensure cash and investments are tied-out on a monthly basis similar to how it is performed at year-end. While assignment of this responsibility varies, we find that it often resides with the County Treasurer.
- The County should have a reliable process in place and such procedures documented so that transitioning duties from one individual to the next is seamless. These procedures should include a reminder to change authorized signors on accounts when necessary.
- The County should form an oversight committee in which investment balances and activity could be provided to the committee and reviewed by the committee on a monthly basis.
- Some account balances (\$430.05 Associated Wealth Management and \$130.00 Bremer Petty Cash) are not recorded nor reconciled to the County's books. The County has concluded that these balances are immaterial. We believe that all cash accounts should be reconciled and properly adjusted in the general ledger.

District Attorney Forfeitures Account

We found that the District Attorney's cash account related to forfeitures was properly accounted for and reconciled at year-end. Therefore, we do not report a related deficiency in internal controls over financial reporting. However, during our testing and inquiries we made certain observations of practices which could be improved. It appears that there is a significant time lag between the receipt of forfeitures by the department and then when the money is turned over to the victim or other necessary party(ies). Therefore, we suggest putting a process in place within the department to make sure this turnaround of funds is done in a timely manner and on a continual basis.



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APPENDIX A

FORMAL REQUIRED COMMUNICATIONS

Board of Supervisors
Dunn County
Menomonie, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dunn County, Wisconsin (the County) for the year ended December 31, 2011, and have issued our report thereon dated June 15, 2012. We did not audit the financial statements of the Dunn County Housing Authority, which is presented in the component unit column. Those statements were audited by other auditors whose report thereon has been furnished to us, in our opinion, insofar as it relates to the amounts included for the Housing Authority, is based solely on the report of the other auditors. 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 opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable

basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

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

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 Dunn 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:

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, 2011 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, 2011 is based on outside authoritative guidance.

Estimated Allowance for Doubtful Accounts – Management's estimate of allowance for doubtful accounts is based on known and expected uncollectible amounts.

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

Board of Supervisors
Dunn County

We evaluated the key factors and assumptions used to develop the above estimates in determining that it is 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. During the course of our audit, we proposed adjustments to various accounts in order to adjust their ending balances to actual. These adjustments included state aids, cash, accounts receivable, taxes receivable, deferred revenue, accounts payable, accrued benefits payable, depreciation expense, and fund balance. Management has corrected all such misstatements. Management did not identify and we did not notify them of any uncorrected 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 June 15, 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

Board of Supervisors
Dunn County

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 June 15, 2012.

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 use of the Board of Supervisors 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

Eau Claire, Wisconsin
June 15, 2012



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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, 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 – and 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

Audit Report 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.

	12/31/11	12/31/10	12/31/09	12/31/08
General Fund Balance Sheet Summary:				
Cash and Investments	\$ 11,036,063	\$ 10,342,308	\$ 9,874,263	\$ 7,832,149
Taxes Receivable:				
Current	9,770,922	9,278,742	8,703,317	7,438,805
Delinquent	1,736,452	1,900,741	1,891,740	1,439,501
Loans Receivable	80,000	1,485,711	1,586,588	1,801,962
Due from Other Funds	1,520,276	679,497	464,626	1,585,629
Other Receivables	1,092,591	1,079,395	1,058,804	1,675,428
Total Assets	\$ 25,236,304	\$ 24,766,394	\$ 23,579,338	\$ 21,773,474
Current Payables	\$ 1,132,781	\$ 1,190,149	\$ 1,041,752	\$ 1,157,673
Deferred Revenues	10,311,751	9,874,981	9,237,759	8,040,028
Total Liabilities	11,444,532	11,065,130	10,279,511	9,197,701
Fund Balance:				
Nonspendable	1,083,725	2,527,060	2,707,372	2,507,395
Assignments	2,257,686	350,000	350,000	350,000
Unassigned	10,450,361	10,824,204	10,242,455	9,718,378
Total Fund Balance	13,791,772	13,701,264	13,299,827	12,575,773
	\$ 25,236,304	\$ 24,766,394	\$ 23,579,338	\$ 21,773,474
Revenues	\$ 20,587,361	\$ 20,178,264	\$ 18,686,391	\$ 19,793,337
Expenditures	(20,998,597)	(20,948,775)	(19,129,883)	(19,608,359)
Net Transfers In	501,744	1,184,648	1,197,546	694,425
Net Transfers Out	-	(12,700)	(30,000)	-
Change in Fund Balance	\$ 90,508	\$ 401,437	\$ 724,054	\$ 879,403
% of Unassigned Fund Balance to General Fund Expenditures	49.8%	51.7%	53.5%	49.6%

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

	12/31/11	12/31/10	12/31/09	12/31/08
Special Revenue Fund Balances:				
Human Services	\$ -	\$ -	\$ 143,273	\$ 143,273
Jail Assessment Fees	79,466	91,635	125,055	89,648
Solid Waste	701,231	452,307	290,896	817,081
	\$ 780,697	\$ 543,942	\$ 559,224	\$ 1,050,002

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

Debt Service Fund Balances:	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
G.O. Debt	\$ 30,298	\$ 30,661	\$ 31,024	\$ 31,387

- 4 **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.

Capital Project Fund Balance:	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
	\$ -	\$ -	\$ -	\$ -

- 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.

	Highway Department			
	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
Balance Sheet Summary:				
Cash and Investments	\$ 1,025,874	\$ 623,177	\$ -	\$ -
Taxes Receivable	4,836,940	4,812,427	4,776,365	4,770,821
Accounts Receivable	720,798	698,589	640,800	858,918
Inventory	1,399,089	1,486,549	1,425,760	1,560,423
Capital Assets (net)	7,052,388	7,390,452	8,017,675	7,857,778
	<u>\$ 15,035,089</u>	<u>\$ 15,011,194</u>	<u>\$ 14,860,600</u>	<u>\$ 15,047,940</u>
Current Liabilities	\$ 346,594	\$ 448,368	\$ 499,730	\$ 372,871
Due to Other Funds	-	-	108,001	497,695
Unearned Revenues	4,836,940	4,824,075	4,911,268	4,893,732
Vested Benefits	456,250	535,249	478,202	487,262
Noncurrent Vested Benefits	245,673	288,211	257,493	262,372
Other Post-Employment Benefits	18,151	20,842	18,855	9,604
Net Assets:				
Invested in Capital Assets	7,052,388	7,390,452	8,017,675	7,857,778
Unrestricted	2,079,093	1,503,997	569,376	666,626
	<u>\$ 15,035,089</u>	<u>\$ 15,011,194</u>	<u>\$ 14,860,600</u>	<u>\$ 15,047,940</u>
Income (Loss) Before Contributions and Transfers	\$ 4,698,941	\$ 2,198,269	\$ 1,771,665	\$ 1,375,492
Capital Contributions	(4,461,909)	(1,903,571)	(1,709,018)	(1,618,134)
Transfer In	-	12,700	-	-
Change in Net Assets	<u>\$ 237,032</u>	<u>\$ 307,398</u>	<u>\$ 62,647</u>	<u>\$ (242,642)</u>
Current Ratio* (1+ desired)	5.04	2.95	1.05	0.99

*Current ratio calculation includes cash and investments, accounts receivable, current liabilities and due to other funds balances.

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5 Enterprise Funds (cont'd.)

	Health Care Center			
	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
Balance Sheet Summary:				
Operating Cash and Investments	\$ -	\$ -	\$ -	\$ -
Patient Trust Cash	7,823	8,235	6,060	7,448
Taxes Receivable	500,000	750,000	750,000	773,542
Accounts Receivable	999,565	1,114,842	883,650	1,947,812
Inventory	52,345	40,396	41,618	45,875
Prepaid Expenses	4,169	4,272	27,442	26,901
Capital Assets (net)	697,816	838,848	950,738	961,682
	<u>\$ 2,261,718</u>	<u>\$ 2,756,593</u>	<u>\$ 2,659,508</u>	<u>\$ 3,763,260</u>
Current Liabilities	\$ 429,949	\$ 521,510	\$ 486,287	\$ 573,503
Due to Other Funds	1,520,276	646,997	324,125	1,087,934
Unearned Revenues	500,000	1,069,600	750,000	773,542
Vested Benefits	381,823	407,451	450,624	446,901
Patients Trust Funds Payable	7,823	8,235	6,060	7,448
Advance from Other Funds	32,500	32,500	32,500	-
Noncurrent Vested Benefits	288,042	307,375	339,945	337,135
Other Post-Employment Benefits	106,311	89,250	61,543	31,350
Net Assets:				
Invested in Capital Assets	697,816	838,848	950,738	961,682
Unrestricted	(1,702,822)	(1,165,173)	(742,314)	(456,235)
	<u>\$ 2,261,718</u>	<u>\$ 2,756,593</u>	<u>\$ 2,659,508</u>	<u>\$ 3,763,260</u>
Income (Loss) Before Transfers	\$ (678,681)	\$ (534,749)	\$ (327,023)	\$ (411,596)
Transfer In	-	-	30,000	-
Change in Net Assets	<u>\$ (678,681)</u>	<u>\$ (534,749)</u>	<u>\$ (297,023)</u>	<u>\$ (411,596)</u>
Current Ratio* (1+ desired)	0.61	0.83	1.05	1.12

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 governmental units, on a cost reimbursement basis.

	Workers' Compensation			
	<u>12/31/11</u>	<u>12/31/10</u>	<u>12/31/09</u>	<u>12/31/08</u>
Summary Balance Sheets:				
Cash and Investments	\$ 2,187,322	\$ 1,862,484	\$ 1,657,882	\$ 1,571,417
Accrued Liabilities	215,670	125,927	127,428	113,602
Net Assets	<u>\$ 1,971,652</u>	<u>\$ 1,736,557</u>	<u>\$ 1,530,454</u>	<u>\$ 1,457,815</u>
Income Before Transfers	\$ 435,095	\$ 406,103	\$ 272,639	\$ 486,316
Transfers to General Fund	(200,000)	(200,000)	(200,000)	(200,000)
Change in Net Assets	<u>\$ 235,095</u>	<u>\$ 206,103</u>	<u>\$ 72,639</u>	<u>\$ 286,316</u>

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6 Internal Service Funds (cont'd.)

	Health Insurance			
	12/31/11	12/31/10	12/31/09	12/31/08
Summary Balance Sheets:				
Cash and Investments	\$ 3,331,186	\$ 3,595,100	\$ 2,969,335	\$ 2,813,805
Accounts Receivable	596,927	-	-	-
Interest Receivable	-	-	5,303	9,050
	<u>3,928,113</u>	<u>3,595,100</u>	<u>2,974,638</u>	<u>2,822,855</u>
Accrued Liabilities	<u>626,949</u>	<u>350,866</u>	<u>447,279</u>	<u>722,923</u>
Net Assets	<u>\$ 3,301,164</u>	<u>\$ 3,244,234</u>	<u>\$ 2,527,359</u>	<u>\$ 2,099,932</u>
Income Before Transfers	\$ 356,930	\$ 1,016,875	\$ 727,427	\$ 190,272
Transfers to General Fund	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>
Change in Net Assets	<u>\$ 56,930</u>	<u>\$ 716,875</u>	<u>\$ 427,427</u>	<u>\$ (109,728)</u>

7 Long-Term Obligations

	12/31/11	12/31/10	12/31/09	12/31/08
General Obligation Bonds	\$ 9,455,000	\$ 10,785,000	\$ 12,065,000	\$ 13,300,000
Vested Compensated Absences and OPEB Liability:				
Governmental Activities	2,564,642	2,493,346	2,345,272	2,174,510
Business Type Activities	<u>1,500,747</u>	<u>1,648,378</u>	<u>1,606,662</u>	<u>1,574,624</u>
	<u>\$ 13,520,389</u>	<u>\$ 14,926,724</u>	<u>\$ 16,016,934</u>	<u>\$ 17,049,134</u>
Equalized Valuation	\$ 2,683,462,100	\$ 2,739,232,100	\$ 2,810,550,100	\$ 2,819,383,600
General Obligation Debt Limit	\$ 136,655,555	\$ 136,961,605	\$ 140,527,505	\$ 140,969,180
General Obligation Debt as Percent of Debt Limitation	6.9%	7.9%	8.6%	9.4%



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APPENDIX D

REPORT ON CONDENSED FINANCIAL STATEMENTS INCLUDED HEREIN

Board of Supervisors
Dunn County
Menomonie, Wisconsin

We have audited the financial statements of Dunn 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 12 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 Board of Supervisors 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
June 15, 2012