

BARRON COUNTY, WISCONSIN
EXECUTIVE AUDIT SUMMARY (EAS)
DECEMBER 31, 2013

**BARRON COUNTY, WISCONSIN
TABLE OF CONTENTS
DECEMBER 31, 2013**

| | |
|---|----|
| AUDIT REPORT SUMMARY | 1 |
| APPENDIX A | |
| FORMAL REQUIRED COMMUNICATIONS | 2 |
| APPENDIX B | |
| NEW ACCOUNTING AND REPORTING STANDARDS | 6 |
| APPENDIX C | |
| FINANCIAL STATEMENT NOTATIONS | 7 |
| APPENDIX D | |
| INDEPENDENT AUDITORS' REPORT ON CONDENSED FINANCIAL STATEMENTS | 11 |



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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, 2013. 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.

- Change in presentation and terminology for the implementation of GASB Statement No. 65.

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:

- 2013-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)
- 2013-002 Material Audit Adjustments

Significant Deficiencies:

- 2013-003 Limited Segregation of Duties

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 deficiencies in the related internal controls.

Other Items

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

Collateral Coverage

- At December 31, 2013, the County did not have adequate levels of collateral assigned to cover deposits held at a local financial institution. Due to timing of tax collections at year-end the County was under collateralized by approximately \$1,958,093. We suggest that the County adjust the collateral level monitoring system to ensure deposits are adequately covered at all times.

APPENDIX A

FORMAL REQUIRED COMMUNICATIONS

Honorable Members of the Board of Supervisors
Barron County, 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 Barron County, Wisconsin (the County) for the year ended December 31, 2013, and have issued our report thereon dated July 24, 2014. We did not audit the financial statements of the Barron 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. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you 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 the Barron County are described in Note 1 to the financial statements.

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, 2013 is based on historical trends and anticipated leave time activity.

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. Management did not identify and we did not notify them of any uncorrected financial statement 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 24, 2014.

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:

- Annual Financial Reporting, lack of segregation of duties and material audit adjustments.

Other audit findings or issues

We have provided a separate letter to you dated July 24, 2014, communicating internal control related matters identified during the audit.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

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 24, 2014.

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 24, 2014.

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.

Board of Supervisors
Barron County

* * *

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

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

CliftonLarsonAllen LLP

Rice Lake, Wisconsin
July 24, 2014



CliftonLarsonAllen

CliftonLarsonAllen LLP
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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, 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.).

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, issued April 2013. This standard provides guidance on how to record activity when a government financially guarantees an obligation of another entity.

New accounting standards effective for the December 31, 2015 financial statements include:

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, issued June 2012. This statement replaces the requirements of Statement No. 27 for pension plans.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68, issued November 2013. This statement was issued to eliminate a potential recognition problem when GASB Statement No. 68 is implemented. The guidance will prevent the significant understatement of restated beginning net position and expense when certain timing of contributions to a pension exists.

APPENDIX C

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| 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.

| | 12/31/2013 | 12/31/2012 | 12/31/2011 | 12/31/2010 |
|--|---------------------|---------------------|---------------------|---------------------|
| General Fund Balance Sheet Summary: | | | | |
| Cash and Investments | \$ 12,666,451 | \$ 15,363,475 | \$ 15,650,810 | \$ 13,314,577 |
| Taxes Receivable: | | | | |
| Current Taxes Receivable | 9,700,287 | 9,743,185 | 8,753,203 | 9,087,339 |
| Delinquent Taxes Receivable | 1,325,835 | 1,770,198 | 2,004,109 | 2,046,501 |
| Tax Deeds Owned by County | 472,426 | 467,131 | 435,647 | 537,656 |
| Accounts Receivable | 383,308 | 451,883 | 383,188 | 403,039 |
| Due from Other Funds | 68,508 | 220,507 | 680,775 | 1,127,077 |
| Advances to Other Funds | 2,344,262 | 2,501,808 | 2,386,808 | 2,361,200 |
| Other Assets | 715,355 | 264,443 | 253,522 | 283,718 |
| | \$ 27,676,432 | \$ 30,782,630 | \$ 30,548,062 | \$ 29,161,107 |
| Accounts Payable | \$ 471,438 | \$ 687,040 | \$ 909,011 | \$ 434,876 |
| Unearned Revenue | - | - | 1,755 | 33,638 |
| Special Deposits | 10,602 | 10,275 | 7,936 | 7,804 |
| Deferred Inflows: | | | | |
| Tax Roll Items | 9,700,287 | 9,743,185 | 8,753,203 | 9,087,339 |
| Long-Term Receivables | 81,941 | 83,697 | 61,755 | 80,745 |
| Fund Balance: | | | | |
| Nonspendable | | | | |
| Delinquent Taxes | 1,798,261 | 2,237,329 | 2,439,755 | 2,584,157 |
| Advance to Waste-to-Energy | 330,000 | 390,000 | 450,000 | 510,000 |
| Advance to Waste-to-Energy (Cash Overdraft) | 235,608 | 235,608 | 235,608 | - |
| Advance to Highway Department | 1,476,200 | 1,551,200 | 1,701,200 | 1,851,200 |
| Advance to Highway Department - Gravel Pit | 302,454 | 325,000 | - | - |
| Long-Term Receivables | 166,667 | 177,778 | 188,889 | 200,000 |
| Prepaid Expenses | 463,794 | - | - | - |
| Inventories | 2,953 | 2,968 | 2,878 | 2,973 |
| Committed | 58,333 | 3,032,222 | 1,291,000 | - |
| Assigned | 5,169,413 | 5,598,552 | 5,459,189 | 5,504,041 |
| Unassigned | 7,408,481 | 6,707,776 | 9,045,883 | 8,864,334 |
| Total Fund Balance | 17,412,164 | 20,258,433 | 20,814,402 | 19,516,705 |
| Total Liabilities and Fund Balance | \$ 27,676,432 | \$ 30,782,630 | \$ 30,548,062 | \$ 29,161,107 |
| Revenues | \$ 16,365,033 | \$ 16,465,043 | \$ 16,147,672 | \$ 16,316,502 |
| Expenditures | (18,217,946) | (17,884,820) | (18,070,737) | (18,172,899) |
| Net Other Financing Sources (Uses) | (993,356) | 863,808 | 3,220,762 | 3,323,005 |
| Change in Fund Balance | \$ (2,846,269) | \$ (555,969) | \$ 1,297,697 | \$ 1,466,608 |
| % of Unassigned Fund Balance to General Fund Expenditures | 40.7% | 37.5% | 50.1% | 48.8% |

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| FINANCIAL STATEMENT NOTATIONS |
|--------------------------------------|

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

| | 12/31/2013 | 12/31/2012 | 12/31/2011 | 12/31/2010 |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Special Revenue Fund Balances: | | | | |
| Health and Human Services | \$ 749,999 | \$ 749,999 | \$ 749,999 | \$ 1,675,478 |
| Child Support Collection Agency | 150,001 | 112,807 | 150,003 | 145,962 |
| Office on Aging Programs | 440,164 | 463,204 | 443,012 | 509,885 |
| Aging Disability Resource Center | - | 34,296 | - | 33,358 |
| ATV Trails | 2,636 | 2,636 | 2,512 | (1,193) |
| Snowmobile Trails | 21,742 | 21,742 | 21,742 | 21,742 |
| State Aid Forestry Fund | 2,499 | - | - | (75,577) |
| County Forest Acquisition | 5,330 | 5,330 | (414,900) | - |
| Conservation Officer | 28,716 | 24,892 | 30,551 | 28,022 |
| Animal Control Officer | 124,981 | 87,667 | 56,106 | 2,000 |
| Jail Assessment Fees | 90,929 | 93,324 | 69,363 | 52,550 |
| Recycling Project | 170,721 | 147,482 | 173,358 | 213,087 |
| Fleet Vehicle | 88,168 | 68,962 | 54,465 | 43,391 |
| County Sales Tax | 1,373,920 | 1,046,477 | 471,166 | 177,367 |
| Maintenance of Dams | 489,668 | 517,508 | 509,776 | - |
| Wildlife Habitat | 3,395 | 2,587 | 1,786 | - |
| Housing Rehabilitation Loans | 49,052 | 36,716 | 50,823 | 71,029 |
| Dog License Fund | 1,000 | 1,000 | 1,000 | 1,000 |
| | \$ 3,792,921 | \$ 3,416,629 | \$ 2,370,762 | \$ 2,898,101 |

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.

| | 12/31/2013 | 12/31/2012 | 12/31/2011 | 12/31/2010 |
|-------------------------------------|------------|------------|------------|------------|
| Debt Service Funds Balances: | | | | |
| Justice Center Bonds - 2001 | \$ 16,118 | \$ 14,881 | \$ 14,844 | \$ 14,271 |
| Justice Center Bonds - 2002 | 5,433 | 4,196 | 4,159 | 3,613 |
| UW Center Campus Bonds - 2005 | - | 569 | 532 | 122 |
| Fair Association STFL - 2003 | - | - | - | 3 |
| Gravel Pit Land Contract - 2003 | - | - | - | 3 |
| | \$ 21,551 | \$ 19,646 | \$ 19,535 | \$ 18,012 |

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| FINANCIAL STATEMENT NOTATIONS |
|--------------------------------------|

Item
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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.

| | <u>12/31/2013</u> | <u>12/31/2012</u> | <u>12/31/2011</u> | <u>12/31/2010</u> |
|--------------------------------------|-------------------|-------------------|-------------------|--------------------|
| Capital Project Fund Balance: | | | | |
| 2003 Capital Improvements Fund | \$ - | \$ - | \$ - | \$ (925,212) |
| Capital Projects Fund | 431,431 | 740,156 | 659,162 | 953,754 |
| Rail Capital Projects Fund | - | (82,233) | (82,233) | (55,719) |
| | <u>\$ 431,431</u> | <u>\$ 657,923</u> | <u>\$ 576,929</u> | <u>\$ (27,177)</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.

| | <u>12/31/2013</u> | <u>12/31/2012</u> | <u>12/31/2011</u> | <u>12/31/2010</u> |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Waste to Energy Plant | | | | |
| Balance Sheet Summary: | | | | |
| Cash and Investments | \$ 129,363 | \$ - | \$ - | \$ 176,163 |
| Accounts Receivable | 276,877 | 275,802 | 236,220 | 203,520 |
| Capital Assets | 2,830,571 | 3,233,392 | 3,576,789 | 3,368,429 |
| Unamortized Debt Issuance Costs | - | - | 42,326 | 48,496 |
| | <u>\$ 3,236,811</u> | <u>\$ 3,509,194</u> | <u>\$ 3,855,335</u> | <u>\$ 3,796,608</u> |
| Accounts Payable | \$ 247,629 | \$ 272,101 | \$ 198,134 | \$ 433,086 |
| Advance from General Fund | 565,608 | 625,608 | 685,608 | 510,000 |
| Advance from Recycling Fund | - | - | - | 4,400 |
| General Obligation Bonds | 2,000,000 | 2,190,000 | 2,375,000 | 2,555,000 |
| Net Position: | | | | |
| Net Investment in Capital Assets | 830,571 | 1,043,392 | 1,201,789 | 813,429 |
| Unrestricted | (406,997) | (621,907) | (605,196) | (519,307) |
| | <u>\$ 3,236,811</u> | <u>\$ 3,509,194</u> | <u>\$ 3,855,335</u> | <u>\$ 3,796,608</u> |
| Changes to Net Position: | | | | |
| Operating Income (Loss) | \$ 121,749 | \$ (8,175) | \$ (130,493) | \$ (248,220) |

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.

| | <u>12/31/2013</u> | <u>12/31/2012</u> | <u>12/31/2011</u> | <u>12/31/2010</u> |
|--------------------------------|----------------------|----------------------|---------------------|---------------------|
| Highway Department | | | | |
| Summary Balance Sheets: | | | | |
| Cash and Investments | \$ 234,912 | \$ (1,715,498) | \$ (1,731,351) | \$ (1,321,220) |
| Gravel Pit Closure Cash | 101,792 | 116,385 | 181,650 | 143,185 |
| Restricted Cash | 735,534 | 552,866 | - | - |
| Accounts Receivable | 1,401,832 | 1,360,231 | 1,295,492 | 1,093,539 |
| Inventories | 1,347,376 | 1,467,283 | 1,143,197 | 1,270,352 |
| Other Noncurrent Assets | 7,117 | 10,309 | 3,197 | 3,718 |
| Capital Assets | 10,178,794 | 10,409,263 | 8,881,813 | 8,776,704 |
| | <u>\$ 14,007,357</u> | <u>\$ 12,200,839</u> | <u>\$ 9,773,998</u> | <u>\$ 9,966,278</u> |

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| FINANCIAL STATEMENT NOTATIONS |
|--------------------------------------|

Item
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| 6 Internal Service Funds (Continued): | <u>12/31/2013</u> | <u>12/31/2012</u> | <u>12/31/2011</u> | <u>12/31/2010</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Accounts Payable | \$ 112,366 | \$ 216,801 | \$ 39,528 | \$ 144,017 |
| Unearned Revenue | 728,585 | 590,555 | 107,201 | 82,527 |
| Advances from Other Funds | 1,778,654 | - | - | - |
| Accrued Employee Leave | 596,385 | 640,559 | 602,606 | 584,558 |
| Net Position: | | | | |
| Net Investment in Capital Assets | 10,178,794 | 10,409,263 | 8,881,813 | 8,776,704 |
| Restricted for Frac Sand Contracts | 152,275 | 33,391 | - | - |
| Unrestricted | 460,298 | 310,270 | 142,850 | 378,472 |
| | <u>\$ 14,007,357</u> | <u>\$ 12,200,839</u> | <u>\$ 9,773,998</u> | <u>\$ 9,966,278</u> |
| | | | | |
| Income (Loss) Before Contributions & Transfers | \$ (744,072) | \$ (178,614) | \$ (130,513) | \$ (580,478) |
| Capital Contributions | 474,574 | - | - | - |
| Net Transfers | 307,941 | 1,906,875 | - | - |
| Change in Net Position | <u>\$ 38,443</u> | <u>\$ 1,728,261</u> | <u>\$ (130,513)</u> | <u>\$ (580,478)</u> |
| | | | | |
| Current Ratio (1+ desired) | 14.57 | -1.64 | -11.03 | -1.58 |
| | | | | |
| 7 Long-Term Obligations | <u>12/31/2013</u> | <u>12/31/2012</u> | <u>12/31/2011</u> | <u>12/31/2010</u> |
| General Obligation Bonds | \$ 13,500,000 | \$ 18,515,000 | \$ 20,495,000 | \$ 22,315,000 |
| General Obligation Notes | - | - | - | 14,999 |
| General Obligation Debt | 13,500,000 | 18,515,000 | 20,495,000 | 22,329,999 |
| Highway Land Contracts Payable: | | | | |
| Payable by General County | - | - | - | 29,375 |
| Forest Crop Loans Payable | 191,525 | 284,085 | 70,841 | - |
| Termination Benefits Payable | - | 41,545 | 38,798 | 46,771 |
| Vested Sick Leave and Vacation: | | | | |
| Payable by Non-Highway | 1,783,835 | 1,772,466 | 1,686,107 | 1,665,013 |
| Payable by Highway Department | 596,385 | 640,559 | 602,606 | 584,558 |
| | <u>\$ 16,071,745</u> | <u>\$ 21,253,655</u> | <u>\$ 22,893,352</u> | <u>\$ 24,655,716</u> |
| | | | | |
| Equalized Valuation | \$ 3,579,455,200 | \$ 3,474,905,200 | \$ 3,689,962,000 | \$ 3,684,112,500 |
| | | | | |
| General Obligation Debt Limit | \$ 178,972,760 | \$ 173,745,260 | \$ 184,498,100 | \$ 184,205,625 |
| | | | | |
| General Obligation Debt as Percent of Debt Limitation | 7.5% | 10.7% | 11.1% | 12.1% |



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APPENDIX D

INDEPENDENT AUDITORS' REPORT ON CONDENSED FINANCIAL STATEMENTS

Board of Supervisors
Barron County
Barron, Wisconsin

We have audited the accompanying condensed financial statements, as presented on pages 7 through 10, of Barron County, Wisconsin as of and for the years ended December 31, 2013, 2012, 2011 and 2010.

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 10, of Barron County, Wisconsin as of and for the years ended December 31, 2013, 2012, 2011 and 2010, do not present the financial position of Barron 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 Barron County, Wisconsin as of and for the years ended December 31, 2013, 2012, 2011 and 2010 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 Barron County, Wisconsin, as of and for the years ended December 31, 2013, 2012, 2011 and 2010, 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 24, 2014, July 24, 2013, July 31, 2012 and July 18, 2011, 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 10.



CliftonLarsonAllen LLP

Rice Lake, Wisconsin
July 24, 2014