

BARRON COUNTY, WISCONSIN
EXECUTIVE AUDIT SUMMARY (EAS)
DECEMBER 31, 2008

**BARRON COUNTY, WISCONSIN
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Audit Report Summary

We prepared this Executive Audit Summary and Management Report in conjunction with our audit of the County's financial records for the year ended December 31, 2008. 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.

Internal Controls

Our report on internal control included material weaknesses for oversight of the financial reporting and material audit adjustments as well as significant deficiencies for lack of segregation of duties at the departmental level.

APPENDIX A

FORMAL REQUIRED COMMUNICATIONS

Board of Supervisors
Barron County
Barron, 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 Barron County, Wisconsin (the County) for the year ended December 31, 2008, and have issued our report thereon dated July 1, 2009. 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 January 14, 2009, 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.

Other Information in Documents Containing Audited Financial Statements

Our audit 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 client prepared document, such as an annual report, should be done only with our prior approval and review of the document. Our responsibility for other information in documents containing the County's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in such documents.

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 Barron County are described in Note 1 to the financial statements. No new accounting policies were adopted during 2008, except for Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, and GASB Statement No. 50, *Pension Disclosures-an Amendment of GASB Statements No. 25 and No. 27*. The adoption of GASB Statements No. 45, No. 49, and No. 50 did not have a significant impact on the City's financial statements.

We noted a significant increase in highway inventory, which is a result of salt and sand being charged to the inventory account in 2008.

We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the useful lives of capital assets is based on authoritative guidance and past experience.

Estimated current portion of compensated absences payable – Management's estimate of the amount of the year-end compensated absences payable balance to be taken by employees within one year of December 31, 2008 is based on historical trends and anticipated leave time activity.

Actuarial assumptions are outlined in notes to the basic financial statements for others postemployment benefits payable.

Board of Supervisors
Barron County

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.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management: waste to energy asset additions and depreciation, grant activity, reclassify revenues, and record highway other post employment benefits payable. 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 July 1, 2009.

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.

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

Larson Allen LLP

LarsonAllen LLP

Eau Claire, Wisconsin
July 1, 2009

APPENDIX B

NEW ACCOUNTING AND REPORTING STANDARDS

Accounting and Financial Reporting for Pollution Remediation Obligations (GASB Statements No. 49)

This statement is effective for periods beginning after December 15, 2007 and, therefore, is applicable to the County for the year ended December 31, 2008. GASB Statement No. 49 requires governments to measure and report liabilities and expenditures resulting from pollution remediation obligations. The new standard is applicable to all pollution remediation except as associated with the following:

- Environmental obligations associated with landfills which are already covered under GASB Statement No. 18: Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs.
- Future pollution remediation activities that are required when an asset is retired except for newly retired assets where no liability has previously been recognized.
- Asset impairments which are already covered under GASB Statement No. 42: Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.
- Any pollution prevention costs, fines, penalties, or any other non-remediation expenditures.
- Accounting for any environmental non-exchange transactions.

Expenditure recognition or asset capitalization occurs when one of the following five obligating events takes place:

- The government is compelled to take pollution remediation action because of an imminent endangerment.
- The government violates a pollution prevention related permit or license.
- The government is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party for remediation, or as a government responsible for sharing costs.
- The government is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The government commences or legally obligates itself to commence pollution remediation.

Costs of remediation should be accrued for all components (legal fees, site investigation costs, etc.) of the obligation that are reasonably estimable. The standard outlines a method for recording a liability based on estimated future remediation payments (expected cash flow technique = sum of all probability weighted amounts in a range of possible estimated amounts). The liability should be reduced by any estimated insurance or other recoveries that are not yet realized or realizable. An asset should be reported separately for any known insurance or other recoveries that are already realized or realizable. If liability recognition is necessary, it is required to be recorded at current value versus estimated future inflating factors for such criteria as unknown technologies, laws or regulations. This liability amount is carried forward unchanged until one of the five benchmarks occurs, there is a change in the remediation plan, or there is a change in operating conditions.

Additional footnote disclosures accompanying recognition of a liability include explaining the nature and source of the remediation obligation as well as the methods and assumptions used to estimate the liability.

Pension Disclosures (GASB Statements No. 50)

This statement is effective for periods beginning after June 15, 2007 and, therefore, is applicable to the County for the year ended December 31, 2008. This statement amends GASB Statements 25 and 27 and more closely align the financial reporting requirements for pensions with those required for other post employment benefits (OPEB). The changes primarily relate to disclosures included in the notes to the basic financial statements and required supplemental information.

Accounting and Financial Reporting for Intangible Assets (GASB Statements No. 51)

This statement is effective for periods beginning after June 15, 2009 and, therefore, is applicable to the County for the year ended December 31, 2010. The purpose of this statement is to eliminate the inconsistencies in accounting and reporting between governmental entities related to intangible items such as easements, rights, patents, trademarks, software, and donated assets.

Land and Other Real Estate Held as Investments by Endowments (GASB Statements No. 52)

This statement is effective for periods beginning after June 15, 2008 and, therefore, is applicable to the County for the year ended December 31, 2009. This standard changes reporting of land and other real estate held as investments by endowments from a historical cost basis to fair value. The affect of this change will align financial reporting for these assets with the objective of endowments which is to invest resources for the purpose of generating income.

Accounting for Financial Reporting for Derivative Instruments (GASB Statements No. 53)

This statement is effective for periods beginning after June 15, 2009 and, therefore, is applicable to the County for the year ended December 31, 2010. A derivative is a financial instrument whose characteristics and value depend upon the characteristics and value of an underlier and are often used to manage investment risk. Common examples include swap, future or option agreements. This statement requires derivative instruments to be measured at fair value.

Fund Balance Reporting and Governmental Fund Type Definitions (GASB Statements No. 54)

This statement is effective for periods beginning after June 15, 2010 and, therefore, is applicable to the County for the year ended December 31, 2011.

Statement 54 distinguishes between fund balance amounts that are considered *non-spendable*, such as fund balance associated with inventories, and other amounts that are classified based on the relative ability to be spent. Beginning with the most non-spendable classification, fund balances will be reported in the following classifications:

- *Restricted*—amounts constrained by external parties, constitutional provision, or enabling legislation.
- *Committed*—includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority
- *Assigned*—amounts a government intends to use for a particular purpose. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- *Unassigned*—amounts that are not constrained at all will be reported in the general fund or to report deficit balances in other governmental funds.

The new standard also clarifies the definitions of individual governmental fund types. The statement interprets certain terms within the definition of special revenue fund types, while further clarifying the debt service and capital projects fund type definitions. The statement also specifies how economic stabilization or "rainy-day" amounts should be reported as a component of fund balance in the general fund. No longer is it considered appropriate to include these types of funds as a special-revenue fund. For financial reporting purposes, stabilization should be regarded as a Restricted or Committed classification only if the government details the circumstances or conditions that signal the need for stabilization in sufficient detail. Otherwise, these amounts should be reported as Unassigned in the general fund.

The Hierarchy of Generally Accepted Accounting Principals for State and Local Governments (GASB Statements No. 55)

This statement is effective upon issuance on March 2009. The Government Accounting Standards Board (GASB) is responsible for establishing Generally Accepted Accounting Principals (often referred to as GAAP) which define how financial statements are prepared. This new standard is informational as it adopts the GAAP hierarchy as outlined in the American Institute of Certified Public Accountants' Statement No. 69. The purpose is to incorporate GAAP hierarchy into the authoritative literature of the GASB.

Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards (GASB Statements No. 56)

This statement is effective upon issuance on March 2009. This new statement is also informational as it further organizes current guidance into one single source under GASB. Specifically, the statement incorporates authoritative literature as defined in the American Institute of Certified Public Accountants' Statements on Auditing Standards related to subsequent events, going concern considerations, and related party transactions.

NEW AUDITING STANDARDS

STATEMENT OF AUDITING STANDARDS (SAS) 115: COMMUNICATING INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN AN AUDIT

This new audit standard is applicable to the County for the year ended December 31, 2009 and supersedes SAS No. 112. Early adoption of this standard is permitted except when an audit is subject to single audit requirements. The new statement defines the different levels of deficiencies in internal control as well as provides guidance on evaluating the severity of deficiencies.

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.

	12/31/2008	12/31/2007	12/31/2006	12/31/2005
General Fund Balance Sheet Summary:				
Cash and Investments	\$ 9,363,804	\$ 9,115,281	\$ 9,508,482	\$ 8,140,444
Taxes Receivable:				
Current Taxes Receivable	8,375,804	8,249,041	8,067,432	7,645,811
Delinquent Taxes Receivable	1,624,429	1,695,595	1,637,621	1,028,401
Tax Deeds Owned by County	429,544	30,604	27,139	57,997
Accounts Receivable	565,894	583,761	480,748	438,158
Due from Other Funds	13,133	42,321	-	-
Advances to Other Funds	2,706,200	2,002,140	1,282,205	810,000
Other Assets	167,658	121,632	120,096	146,234
	<u>\$ 23,246,466</u>	<u>\$ 21,840,375</u>	<u>\$ 21,123,723</u>	<u>\$ 18,267,045</u>
Accounts Payable	\$ 686,751	\$ 696,938	\$ 677,250	\$ 522,979
Deferred Revenues:				
Tax Roll Items	8,375,804	8,249,041	8,067,432	7,645,811
Long-Term Receivables	152,784	105,661	109,124	138,752
Unearned Revenue	186,559	181,251	161,399	157,974
Special Deposits	6,998	6,416	284	
Fund Balance:				
Reserved for Delinquent Taxes	2,053,974	1,726,199	1,664,760	1,086,398
Reserved for Advances	2,706,200	2,002,140	1,282,205	810,000
Reserved for Inventories	6,718	6,385	4,535	7,482
Reserved for Subsequent Year's Budget	60,956	307,137	475,023	150,000
Unreserved, Designated	4,122,962	3,813,586	4,295,762	2,326,299
Unreserved, Undesignated	4,886,760	4,745,621	4,385,949	5,421,350
	<u>\$ 23,246,466</u>	<u>\$ 21,840,375</u>	<u>\$ 21,123,723</u>	<u>\$ 18,267,045</u>
Excess of Revenues Over (Under)				
Expenditures	\$ (1,909,699)	\$ (1,269,686)	\$ (1,304,434)	\$ (1,804,844)
Net Transfer In	3,146,201	1,762,520	3,611,139	2,791,331
Change in Net Assets	<u>\$ 1,236,502</u>	<u>\$ 492,834</u>	<u>\$ 2,306,705</u>	<u>\$ 986,487</u>
% of Undesignated Fund Balance to General Fund Expenditures	27.0%	26.8%	25.2%	32.7%

FINANCIAL STATEMENT NOTATIONS

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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 to expenditures for specified purposes.

	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Special Revenue Fund Balances:				
Health and Human Services	\$ 1,048,007	\$ 757,728	\$ (586,833)	\$ 351,953
Support Collection Agency	227,373	250,941	204,372	187,592
Nutrition and Aging	482,138	417,508	276,135	216,300
Aging Disability Resource Center	26,901	(97)	29	-
ATV Trails	(938)	(3,086)	-	-
Snowmobile Trails	19,866	22,952	21,368	21,953
State Aid Forestry Fund	4,280	-	-	-
County Forest Acquisition	543	-	-	-
Conservation Officer	7,376	-	-	-
Animal Control Officer	23,430	-	-	-
Jail Assessment Fees	58,015	61,105	64,744	69,045
Drug Abuse Resistance Education	11,906	11,906	10,851	5,571
Recycling Project	296,953	265,680	250,582	224,142
Fleet Vehicle	10,652	-	-	-
County Sales Tax	624,406	683,552	626,833	904,761
Economic Development Loans	-	-	441,686	384,682
Housing Rehabilitation Loans	44,390	68,672	113,048	86,679
Dog License Fund	1,000	1,000	800	-
Sanitary System Grant Program	-	-	-	-
Wildlife Damage Program	-	-	-	-
	<u>\$ 2,886,298</u>	<u>\$ 2,537,861</u>	<u>\$ 1,423,615</u>	<u>\$ 2,452,678</u>

- 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.

	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Debt Service Funds Balances:				
Justice Center Bonds - 2001	\$ 10,175	\$ 7,538	\$ 4,901	\$ 2,451
Justice Center Bonds - 2002	438	376	314	314
UW Center Campus Bonds - 2005	18	18	1	-
Fair Association STFL - 2003	3	3	3	3
Gravel Pit Land Contract - 2003	1	1	-	11,560
Capital Improvements Note - 2003	125	63	1	-
Vacation and Sick Leave Fund	2,802,370	2,802,370	2,817,670	2,817,670
	<u>\$ 2,813,130</u>	<u>\$ 2,810,369</u>	<u>\$ 2,822,890</u>	<u>\$ 2,831,998</u>

FINANCIAL STATEMENT NOTATIONS

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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.

	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Capital Project Fund Balance:				
Judicial Center	\$ -	\$ 6,953	\$ 87,953	\$ 211,920
Campus Building Fund	8,964	425,334	421,615	4,755,767
2003 Capital Improvements Fund	1,196,404	998,974	1,166,803	1,985,260
2004 Capital Improvements Fund	1,415,783	1,378,133	1,099,020	776,651
	<u>\$ 2,621,151</u>	<u>\$ 2,809,394</u>	<u>\$ 2,775,391</u>	<u>\$ 7,729,598</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.

	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Waste to Energy Plant				
Balance Sheet Summary:				
Cash and Investments	\$ 51,029	\$ 37,220	\$ 14,629	\$ 87,110
Accounts Receivable	200,835	184,679	202,140	196,592
Capital Assets	1,099,006	1,431,186	1,783,803	2,137,471
	<u>\$ 1,350,870</u>	<u>\$ 1,653,085</u>	<u>\$ 2,000,572</u>	<u>\$ 2,421,173</u>
Current Liabilities	\$ 153,286	\$ 224,895	\$ 214,702	\$ 224,283
Advance from General Fund	630,000	690,000	750,000	810,000
Advance from Recycling Fund	13,200	17,600	-	-
Net Assets:				
Invested in Capital Assets	1,099,006	1,431,186	1,783,803	2,137,471
Unrestricted	(544,622)	(710,596)	(747,933)	(750,581)
	<u>\$ 1,350,870</u>	<u>\$ 1,653,085</u>	<u>\$ 2,000,572</u>	<u>\$ 2,421,173</u>
Changes to Net Assets:				
Operating Loss	<u>\$ (166,835)</u>	<u>\$ (316,649)</u>	<u>\$ (353,088)</u>	<u>\$ (304,536)</u>

- 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.

	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Highway Department				
Summary Balance Sheets:				
Cash and Investments	\$ (2,076,000)	\$ (1,311,940)	\$ (532,005)	\$ (238,536)
Gravel Pit Closure Cash	53,625	63,892	118,230	193,945
Accounts Receivable	1,775,878	1,135,458	1,219,041	1,633,490
Inventories	1,237,248	702,396	603,177	453,080
Deferred Charges	3,623	64,642	147,926	193,917
Capital Assets	8,774,411	8,491,769	8,349,926	7,668,292
	<u>\$ 9,768,785</u>	<u>\$ 9,146,217</u>	<u>\$ 9,906,295</u>	<u>\$ 9,904,188</u>

FINANCIAL STATEMENT NOTATIONS

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6 Internal Service Funds (Continued):	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Accounts Payable	\$ 320,821	\$ 464,627	\$ 377,155	\$ 181,241
Deferred Revenue	128,729	121,875	126,163	132,315
Land Contract Payable	88,125	117,500	-	120,900
Other Postemployment Benefits	20,973	-	-	-
Accrued Employee Leave	485,871	468,633	477,871	471,149
Net Assets:				
Invested in Capital Assets, Net of Related Debt	8,686,286	8,374,269	8,349,926	7,547,392
Unrestricted	37,980	(400,687)	575,220	1,451,191
	<u>\$ 9,768,785</u>	<u>\$ 9,146,217</u>	<u>\$ 9,906,335</u>	<u>\$ 9,904,188</u>
Income (Loss) Before Contributions	\$ 733,325	\$ (951,564)	\$ (194,337)	\$ 258,036
Capital Contributions	17,359	-	120,900	28,825
Change in Net Assets	<u>\$ 750,684</u>	<u>\$ (951,564)</u>	<u>\$ (73,437)</u>	<u>\$ 286,861</u>
Current Ratio (1+ desired)	-2.63	-2.63	1.82	7.70
7 Long-Term Obligations	12/31/2008	12/31/2007	12/31/2006	12/31/2005
General Obligation Bonds	\$ 20,625,000	\$ 21,550,000	\$ 22,345,000	\$ 23,025,000
General Obligation Notes	1,692,779	2,023,611	2,512,957	2,990,906
General Obligation Debt	<u>22,317,779</u>	<u>23,573,611</u>	<u>24,857,957</u>	<u>26,015,906</u>
Highway Land Contracts Payable:				
Payable by General County	-	40,300	80,600	120,900
Payable by Highway Department	88,125	117,500	-	-
Forest Crop Loans Payable	181,084	106,222	170,737	168,816
Other Postemployment Benefits Payable	20,701	-	-	-
Termination Benefits Payable	63,462	-	-	-
Vested Sick Leave and Vacation:				
Non-Highway	1,540,613	1,403,195	1,413,325	1,276,304
Highway	<u>485,871</u>	<u>468,633</u>	<u>477,871</u>	<u>471,149</u>
	<u>\$ 24,697,635</u>	<u>\$ 25,709,461</u>	<u>\$ 27,000,490</u>	<u>\$ 28,053,075</u>
Equalized Valuation	\$ 3,933,810,100	\$ 3,935,741,800	\$ 3,677,674,300	\$ 3,359,185,600
General Obligation Debt Limit	\$ 196,690,505	\$ 196,787,090	\$ 183,883,715	\$ 167,959,280
General Obligation Debt as Percent of Debt Limitation	11.3%	12.0%	13.5%	15.5%



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APPENDIX D

REPORT ON CONDENSED FINANCIAL STATEMENTS INCLUDED HEREIN

Board of Supervisors
Barron County
Barron, Wisconsin

We have audited the financial statements of Barron County, Wisconsin (the County), as of and for the year ended December 31, 2008 (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 8 through 11 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.

LarsonAllen LLP

LarsonAllen LLP

Eau Claire, Wisconsin
July 1, 2009

