

**BARRON COUNTY, WISCONSIN**

**AUDIT SUMMARY**

**DECEMBER 31, 2023**



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**BARRON COUNTY, WISCONSIN  
TABLE OF CONTENTS  
DECEMBER 31, 2023**

<b>AUDIT FINDINGS AND RESULTS</b>	1
<b>APPENDIX A</b>	
FORMAL REQUIRED COMMUNICATIONS	2
<b>APPENDIX B</b>	
NEW ACCOUNTING AND REPORTING STANDARDS	6
<b>APPENDIX C</b>	
FINANCIAL STATEMENT NOTATIONS	7

## **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, 2023. 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 Reporting standard implemented = GASB Statement No. 96, Subscription Based Information Technology Arrangements.

### **Internal Controls**

Our report on internal control included the following deficiency 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 this control deficiency.

#### **Significant Deficiency:**

2023-001 Limited Segregation of Duties  
2023-002 Material Audit Entries

### **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**

As part of our audit, we also provided assistance with the following reports:

- Highway Annual Report Compilation Assistance (April Filing)
- Unaudited Form A (May Filing)
- Audited Form A and Tax 16 Report (July Filing)
- Federal Data Collection Form Certification (Due September 30<sup>th</sup>)



## 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Barron County, Wisconsin as of and for the year ended December 31, 2023, and have issued our report thereon dated July 25, 2024. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*, as well as certain information related to the planned scope and timing of our audit in our statement of work dated December 1, 2023. Professional standards also 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 Barron County, Wisconsin are described in Note 1 to the financial statements.

During the year, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription Based Information Technology Arrangements*. The Statement did not have a material effect on the County's 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 estimate affecting the financial statements was:

Estimated claims payable – Management's estimate of claims payable accrued in the self-insurance fund at year-end is based on authoritative guidance and claims history.

We evaluated the key factors and assumptions used to develop the above estimate in determining that it is 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.

**Significant unusual transactions**

We identified no significant unusual transactions.

**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 did not identify and we did not notify them of any uncorrected financial statement misstatements.

**Corrected misstatements**

The following material misstatement detected as a result of audit procedures was corrected by management: Accrued interest expense and payable were understated by \$208,176.

***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 25, 2024.

***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 prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Other audit findings or issues***

We have provided a separate letter to you dated July 25, 2024, 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.

***Required supplementary information***

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.

***Supplementary information in relation to the financial statements as a whole***

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 the Uniform Guidance 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

Board of Supervisors  
Barron County

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 25, 2024.

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 25, 2024.

This communication is intended solely for the information and use of the Board of Supervisors and management of Barron County, Wisconsin 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 "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Rice Lake, Wisconsin  
July 25, 2024

## 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, 2023 financial statements include:

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** This statement establishes authoritative guidance for accounting for public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (another government or nongovernment entity) to provide a public service. These arrangements call for the government to convey control of the right to operate or use a nonfinancial asset for a period of time in an exchange or exchange-like transaction. The statement provides guidance on how to record and disclose these transactions.

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.** This statement establishes authoritative guidance for accounting for subscription-based information technology arrangements (SBITAs). This statement is very similar to the lease standard (GASB 87 noted above) only it addresses technology (i.e. generally software contracts). In addition to defining how to record these transactions, the statement also defines requirements for reporting the arrangement details within the financial statements.

New accounting standards effective for the December 31, 2024 financial statements include:

**GASB Statement No. 101, *Compensated Absences*.** This statement updates the recognition and measurement guidance for compensated absences.

**GASB Statement No. 102, *Certain Risk Disclosures*.** This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

New accounting standards effective for the December 31, 2026 financial statements include:

**GASB Statement No. 103, *Financial Reporting Model Improvements*.** This statement changes certain financial statement related applications including the management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information.

## **APPENDIX C**

The following information has been derived from management's financial statements. These tables are not intended to present all of the information and disclosures required by accounting principles generally accepted in the United States of America. Rather, the tables presented below are offered for the purpose of providing a multi-year trend analysis for discussion purposes. We were not engaged nor do we provide an opinion on the tables presented below. Please contact the Barron County Administration Office for copies of management's financial statements and refer to the independent auditors' report included therein for the opinions issued in connection with those financial statements.

# FINANCIAL STATEMENT NOTATIONS

Item  
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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.

	12/31/2023	12/31/2022	12/31/2021	12/31/2020
<b>General Fund Balance Sheet Summary:</b>				
Cash and Investments	\$ 25,685,464	\$ 26,796,025	\$ 21,517,230	\$ 16,209,287
Taxes Receivable:				
Current Taxes Receivable	11,063,416	12,016,523	11,272,235	11,398,396
Delinquent Taxes Receivable	857,778	786,423	826,772	943,928
Tax Deeds Owned by County	29,557	33,298	56,908	58,236
Accounts Receivable	990,101	1,027,515	1,102,620	1,214,583
Right-to-Use Lease Receivable	662,316	204,262	-	-
Due from Other Funds	489,703	463,266	195,390	179,002
Advances to Other Funds	980,702	744,955	894,955	1,076,318
Other Assets	1,458,477	654,531	845,382	1,003,570
	<u>\$ 42,217,514</u>	<u>\$ 42,726,798</u>	<u>\$ 36,711,492</u>	<u>\$ 32,083,320</u>
Accounts Payable	\$ 2,379,866	\$ 1,544,169	\$ 1,597,112	\$ 1,712,964
Unearned Revenue	16,554	32,599	14,975	21,388
Special Deposits	140,680	124,273	35,290	21,671
Deferred Inflows:				
Tax Roll Items	11,712,752	12,212,844	11,272,235	11,398,396
Fund Balance:				
Nonspendable				
Delinquent Taxes	887,335	819,721	883,680	1,002,164
Advance to Waste-to-Energy	390,000	-	-	-
Advance to Highway Department	-	126,200	276,200	426,200
Advance to Highway Department - Gravel Pit	590,702	618,755	618,755	650,118
Long-Term Receivables	399,561	477,618	517,985	500,352
Prepaid Expenses	1,455,990	651,682	843,149	1,000,084
Inventories	2,487	2,849	2,233	3,486
Committed	344,443	198,332	37,221	416,110
Assigned	13,253,121	11,966,364	10,747,252	5,468,104
<b>Unassigned</b>	<b>10,644,023</b>	<b>13,951,392</b>	<b>9,865,405</b>	<b>9,462,283</b>
Total Fund Balance	<u>27,967,662</u>	<u>28,812,913</u>	<u>23,791,880</u>	<u>18,928,901</u>
Total Liabilities and Fund Balance	<u>\$ 42,217,514</u>	<u>\$ 42,726,798</u>	<u>\$ 36,711,492</u>	<u>\$ 32,083,320</u>
Revenues	\$ 23,774,150	\$ 25,740,381	\$ 25,035,373	\$ 19,046,805
<b>Expenditures</b>	<b>(27,615,618)</b>	<b>(25,166,062)</b>	<b>(23,592,899)</b>	<b>(22,792,156)</b>
Net Other Financing Sources (Uses)	2,996,217	4,446,714	3,420,505	3,337,682
Change in Fund Balance	<u>\$ (845,251)</u>	<u>\$ 5,021,033</u>	<u>\$ 4,862,979</u>	<u>\$ (407,669)</u>
<b>% of Unassigned Fund Balance to General Fund Expenditures</b>	<b>38.5%</b>	<b>55.4%</b>	<b>41.8%</b>	<b>41.5%</b>

## FINANCIAL STATEMENT NOTATIONS

Item  
#

**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.

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Special Revenue Fund Balances:</b>				
Health and Human Services	\$ 750,000	\$ 750,000	\$ 750,000	\$ 795,000
County Sales Tax	5,610,912	4,465,008	3,286,772	2,320,943
Child Support Collection Agency	150,000	150,000	150,000	150,000
Office on Aging Programs	630,419	601,926	528,697	421,995
Aging Disability Resource Center	-	-	-	-
ATV Trails	-	-	-	1,220
Snowmobile Trails	500	500	-	-
State Aid Forestry Fund	-	-	-	-
County Forest Acquisition	2,500	2,500	3,150	2,500
Recreation Deputy	59,627	19,442	507	13,572
Animal Control Officer	219,473	234,846	277,926	241,771
Fleet Vehicle	138,140	124,674	115,895	105,738
Jail Assessment Fees	83,320	75,534	57,369	50,274
Recycling Project	924,991	846,358	649,652	805,978
Opioid Settlement	268,140	226,963	-	-
Maintenance of Dams	510,953	584,716	570,675	548,991
Wildlife Habitat	2,908	2,147	1,387	1,325
Housing Rehabilitation Loans	174,564	178,163	199,535	203,405
Dog License Fund	1,000	1,000	1,000	1,000
Sanitary System Grant Program	-	-	-	-
Wildlife Damage Program	-	-	-	-
Clerk of Courts Fees Fund	(18,761)	(13,103)	(14,527)	(12,062)
	<u>\$ 9,508,686</u>	<u>\$ 8,250,674</u>	<u>\$ 6,578,038</u>	<u>\$ 5,651,650</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.

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Debt Service Funds Balances:</b>				
UW Barron County Campus Honeywell HVAC Upgrade	\$ -	\$ -	\$ -	\$ 250
Capital Improvements Note - 2003	-	-	13,007	14,872
General Obligation Highway Facility Bonds - 2020	16,518	20,568	940,524	940,273
General Obligation State Trust Fund Loan WTE - 2023	-	-	-	-
	<u>\$ 16,518</u>	<u>\$ 20,568</u>	<u>\$ 953,531</u>	<u>\$ 955,395</u>

## 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>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Capital Project Fund Balance:</b>				
Capital Projects Fund	\$ 1,034,456	\$ 1,528,603	\$ 1,868,975	\$ 1,519,309
Spillman Software Capital Project Fund	-	-	-	-
Highway Facilities Capital Project Fund	-	27,362	13,892,035	24,871,581
Generation Capital Projects Fund	1,436	-	-	-
	<u>\$ 1,035,892</u>	<u>\$ 1,555,965</u>	<u>\$ 15,761,010</u>	<u>\$ 26,390,890</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>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Waste to Energy Plant</b>				
<b>Balance Sheet Summary:</b>				
Cash and Investments	\$ 4,101,100	\$ 620,351	\$ 711,038	\$ 936,349
Accounts Receivable	534,249	525,018	413,549	318,304
Prepaid	4,111	9,258	3,301	2,100
Restricted Assets	-	225,148	403,634	208,641
Capital Assets	3,060,552	1,568,080	1,684,008	1,481,931
Deferred Outflow of Resources	977,137	481,689	711,722	524,161
	<u>\$ 8,677,149</u>	<u>\$ 3,429,544</u>	<u>\$ 3,927,252</u>	<u>\$ 3,471,486</u>
Accounts Payable	\$ 176,641	\$ 182,386	\$ 177,033	\$ 429,119
Advance from General Fund	390,000	-	-	-
Accrued Interest Payable	208,176	-	-	-
General Obligation Debt	4,000,000	-	260,000	635,001
Accrued Employee Leave	132,912	111,432	94,127	100,062
WRS Pension & LRLIF OPEB Liability	320,912	117,220	92,760	78,178
Deferred Inflow of Resources	576,626	541,932	894,921	638,020
Net Position:				
Net Investment in Capital Assets	1,381,850	1,568,080	1,424,008	846,930
Restricted for Pension Asset	-	225,148	403,634	208,641
Unrestricted	1,490,032	683,346	580,769	535,535
	<u>\$ 8,677,149</u>	<u>\$ 3,429,544</u>	<u>\$ 3,927,252</u>	<u>\$ 3,471,486</u>
<b>Changes to Net Position:</b>				
Operating Income (Loss)	<u>\$ 395,308</u>	<u>\$ 68,163</u>	<u>\$ 817,305</u>	<u>\$ (18,407)</u>

# FINANCIAL STATEMENT NOTATIONS

Item  
#

**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>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>Highway Department</b>				
<b>Summary Balance Sheets:</b>				
Cash and Investments	\$ 6,844,763	\$ 9,498,353	\$ 11,594,039	\$ 10,733,267
Restricted Assets	-	552,745	1,098,099	545,242
Accounts Receivable	2,321,511	2,780,042	1,499,913	2,522,558
Other Assets	2,807,601	2,332,366	2,201,270	1,906,329
Capital Assets	41,634,791	12,579,102	12,510,948	12,678,658
Deferred Outflow of Resources	2,625,573	1,221,639	1,982,557	1,399,313
	<u>\$ 56,234,239</u>	<u>\$ 28,964,247</u>	<u>\$ 30,886,826</u>	<u>\$ 29,785,367</u>
Accounts Payable	\$ 642,550	\$ 392,520	\$ 306,344	\$ 1,594,084
Unearned Revenue	13,837	26,542	7,402	20
Advances from Other Funds	590,702	744,955	894,955	1,076,318
Accrued Employee Leave	430,888	491,103	502,740	528,757
WRS Pension & LRLIF OPEB Liability	868,756	395,275	357,581	273,018
Deferred Inflow of Resources	1,580,939	1,341,136	2,446,899	1,677,920
Net Position:				
Net Investment in Capital Assets	41,634,791	12,579,102	12,510,948	12,678,658
Restricted for Pension Asset	-	552,745	1,098,099	545,222
Unrestricted	10,471,776	12,440,869	12,761,858	11,411,370
	<u>\$ 56,234,239</u>	<u>\$ 28,964,247</u>	<u>\$ 30,886,826</u>	<u>\$ 29,785,367</u>
Income (Loss) Before Contributions & Transfers	\$ (424,581)	\$ (566,547)	\$ 1,137,616	\$ (169,372)
Capital Contributions	29,461,496	-	-	289,548
Net Transfers	(2,503,064)	(231,642)	598,039	361,667
<b>Change in Net Position</b>	<u><b>\$ 26,533,851</b></u>	<u><b>\$ (798,189)</b></u>	<u><b>\$ 1,735,655</b></u>	<u><b>\$ 481,843</b></u>
<b>Health Self-Insurance Fund</b>				
<b>Change in Net Position</b>	<u>\$ 1,092,892</u>	<u>\$ (26,007)</u>	<u>\$ 510,426</u>	<u>\$ 1,836,897</u>

<b>FINANCIAL STATEMENT NOTATIONS</b>
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Item  
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**7 Long-Term Obligations**

	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
General Obligation Bonds	\$ 26,940,000	\$ 24,025,000	\$ 25,380,000	\$ 25,630,000
General Obligation Notes	-	-	1,450,501	4,048,515
General Obligation Debt	<u>26,940,000</u>	<u>24,025,000</u>	<u>26,830,501</u>	<u>29,678,515</u>
Right-to-Use Lease Liability	156,812	211,009	-	-
Vested Sick Leave and Vacation:				
Payable by Governmental Funds	2,410,113	2,189,815	2,145,611	2,159,396
Payable by Highway Department	430,888	491,103	502,740	528,757
Payable by Waste-to-Energy	<u>132,912</u>	<u>111,432</u>	<u>94,127</u>	<u>100,062</u>
	<u><u>\$ 30,070,725</u></u>	<u><u>\$ 27,028,359</u></u>	<u><u>\$ 29,572,979</u></u>	<u><u>\$ 32,466,730</u></u>
 <b>Equalized Valuation</b>	 <b>\$ 6,604,935,500</b>	 <b>\$ 5,782,071,300</b>	 <b>\$ 5,008,571,400</b>	 <b>\$ 4,716,701,300</b>
 <b>General Obligation Debt Limit</b>	 <b>\$ 330,246,775</b>	 <b>\$ 289,103,565</b>	 <b>\$ 250,428,570</b>	 <b>\$ 235,835,065</b>
 <b>General Obligation Debt as Percent of Debt Limitation</b>	 <b>8.2%</b>	 <b>8.3%</b>	 <b>10.7%</b>	 <b>12.6%</b>



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