



SHEBOYGAN COUNTY

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Finance Director

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Honorable Members of the Sheboygan County Board and
Adam Payne, County Administrator

I am pleased to share the progress made by the Finance Department during 2015 in the Annual Report for the Finance Department.

The Finance Department and Information Technology Department are now operating independently, providing specialized management focus to both areas. With the leadership changes, the 2016 fiscal year will be one of building, knowledge share and establishment of greater visibility of the critical activities of the Department.

Above all other, the Finance Department is effectively managing the daily operations of the County's financial transactions and annual reporting requirements of the Consolidated Annual Financial Report. This audited financial report is a required distribution not only to our County Board and constituents, but also with State and Federal grant agencies. For the second consecutive year, the Finance Team earned the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association.

The Finance Department has many new faces, including myself. During my short time here, I have witnessed dedicated service by the staff and a collective effort to find efficiencies in our county operations. We look forward to the opportunity to assist the Sheboygan County Board, County Departments and the County Administrator in meeting the financial and operational challenges ahead. We would also like to extend our sincere gratitude to the Finance Committee for their continued support.

Respectfully submitted,

Wendy A. Charnon
Finance Director

Finance Department 2015 Annual Report

Mission Statement and Summary of Responsibilities

The mission of the Finance Department is to effectively and efficiently safeguard and account for the County's financial resources and to provide financial services in support of all County departments.

The Finance Department is responsible for all County financial operations, including budgeting, internal and external financial reporting, accounts payable, accounts receivable, payroll, fixed assets, internal auditing, debt management, cash management, investments, internal controls, collections, financial forecasting, and financial policies and procedures. The Finance Department has the leadership role in the development and maintenance of JD Edwards (JDE) accounting and payroll software that is utilized by all County departments.

Goals and Objectives Achieved in 2015

1. The Finance and Information Technology (IT) Departments were reestablished as separate departments per Ordinance No. 09 (2015/16) on October 20, 2015. New tables of organization and separate budgets have been established for 2016.
2. The 2014 Comprehensive Annual Financial Report (CAFR) was published and submitted to required agencies. The CAFR was also submitted for review with the Government Finance Officers Associations (GFOA) which resulted in a Certificate of Achievement for Excellence in Financial Reporting.
3. Coordinated the Combined Dispatch levy transfer with the City of Sheboygan and necessary communications with the State of Wisconsin.
4. Successful completion of the Five Year Capital plan which reflects a revised annual bonding limit of five million five hundred thousand dollars passed by Ordinance No. 08 (2015/16) on October 20, 2015.
5. Successful completion of the 2016 budget process including all required Department of Revenue reports and County levy limit worksheets by required deadlines. The resulting tax levy increase for 2016 is \$1,349,030 or 2.87%. Of this, the combined dispatch levy transfer from the City of Sheboygan accounts for \$1,180,516 of the total increase.
6. Successfully completed the Payroll module updates for the newly implemented compensation program.
7. Successfully completed Capital Asset inventories for Rocky Knoll, Sheriff, Highway and Information Technology departments.

8. Continued to provide the County Board individual committees and departments with appropriate and accurate financial and operational information.

Budget

| | 2015 Budget | 2015 Results | Variance |
|--------------|-------------|--------------|------------|
| Revenues | \$1,294,535 | \$1,217,408 | (\$77,127) |
| Expenditures | 1,294,535 | 1,217,408 | 77,127 |

The Finance Department tax levy support for 2015 was \$728,368. During 2015, the Finance department had been transitioning towards the separation from the Information Technology department with the hiring of two distinct Directors over Finance and Information Technology. Shared expenses between the departments were slowly eliminated and are represented both by the decrease in revenue and decrease in expense. The overall result for the Finance department is a balanced budget for this transition year. Also represented in the decreased expenses are vacancy savings from three positions during the year.

The Finance Department levy support will increase to \$977,643 in 2016 as a result of the separation from Information Technology which shared wage expenses with the Finance Department. The majority of the increase to the Finance Department is offset by a corresponding decrease specific to these expenses in the Information Technology Department for 2016. The total Finance Department budget for 2016 is \$1,447,810.

Issues and Challenges Ahead

The Finance Department provides services to all County departments. In order to meet the service needs of all county departments, the Finance Department will continue to focus on maximizing efficiencies and improving financial reporting methods and other services provided.

2016 will be a year of transition for the Finance Department with the newly hired positions of Finance Director, Deputy Finance Director, Accounting Manager and Senior Accountant. The new Management Team is committed to maintaining the excellence of the department and looking for areas of continuous improvement.

For several years it has been the department’s goal to integrate the Governmental Accounting Standards Board (GASB) Standard No. 34 reporting requirements into our JD Edwards software. Although progress has been made with the system preparation and testing, this reporting integration has not yet been realized and is part of our 2016 goals to achieve.

Financial system designs have been trending towards full integrations, and have been making tremendous strides towards that end. However, these systems are and will remain complex in the areas of on-going application configurations, integrations with auxiliary systems and upgrade enhancements requiring development and extensive testing.

Goals and Objectives for 2016

1. Complete and publish the 2015 Comprehensive Annual Financial Report (CAFR) no later than June 30th.
2. Complete and submit the Tax Rule 16 Report, the Department of Revenue Report A, and the County Levy Limit Worksheet to the State by the required deadlines.
3. Conduct Financial System (JD Edwards) audits and develop continuous improvement projects for implemented modules and establish work plans and resources for modules yet to be implemented.
4. Develop an internal audit process to review targeted areas to improve internal controls, operational efficiencies and financial reporting.
5. Enhance the Capital Project tracking mechanisms to improve timely reporting and processes.
6. Coordinate with Information Technology to modify the IT cost allocation to better associate IT costs with the appropriate departments and allow departments to better manage their IT costs through informed decisions.
7. Investigate new sources of revenue and cost containment strategies.
8. Organize internal department network directories for improved retention and retrieval of information.
9. Finalize the processes and work plans for the new requirements set forth in the “Omni-Circular” for federal grant awards.
10. Maintain ongoing effort to establish more countywide financial policies and procedures.
11. Improve cross training in the department, ensuring processes are adequately documented, staff is trained to ensure workflow continuity, and adequate service is provided by the department.
12. Work with the County Administrator and Finance Committee to develop the 2017 budget and enhance the reporting tools and resources available to the departments.
13. Work with the County Administrator and Finance Committee to develop the 5-year capital plan.
14. Complete the reporting integration of the GASB 34 requirements into the JD Edwards financial system.