



# 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 2016 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 was one of building knowledge and establishing a greater visibility of the critical activities of each department.

During 2016, the Finance Department collaborated with the County Administrator, providing analytical support for the proposed and achieved passage of the sales tax ordinance. For 2017 the department will initiate the first year of the County Revenue Sharing program for the transportation needs of the County.

But first and utmost, the Finance Department effectively manages the daily operations of the County's financial transactions and annual reporting requirements of the Consolidated Annual Financial Report (CAFR). This audited financial report is a required distribution not only to our County Board and constituents, but also to the State and Federal grant agencies. For the third 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 continues to strive to be a collaborative partner with the Departments, always dedicated to helping them achieve success. 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 2016 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 2016**

1. The 2015 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.
2. Successful completion of the 2017 budget process including all required Department of Revenue reports and County levy limit worksheets by required deadlines. The resulting tax levy decrease for 2017 is \$498,582 or 1.03%.
3. Successful completion of the 5 Year Capital Plan with additional approval to finance the construction of the new Transportation Complex.
4. With the hiring of our Finance Systems Specialist, plans have been drafted and outlined to conduct and develop continuous improvement projects for implementing JDE modules. This work will be carried into 2017.
5. Coordination with Information Technology aided in the modification of the IT cost allocation for better recording of IT costs to the appropriate departments.
6. Successfully completed analysis required for the passage of the half cent sales tax designed to be the revenue support for our County Transportation Infrastructure.
7. Processes and work plans for the new requirements set forth in the "Omni-Circular" for federal grant awards have been outlined and will be implemented during 2017.

## Budget

	2016 Budget	2016 Results	Variance
Revenues	\$1,454,917	\$1,454,310	(\$607)
Expenditures	1,454,917	1,339,813	115,104
Result	0	114,497	114,497

The Finance Department tax levy support for 2016 was \$984,750. Total budget was \$1,454,917. The positive \$114,497 performance is the direct result of vacant positions throughout the 2016 fiscal year.

The Finance Department levy support will increase to \$1,027,179 in 2017 as a result of the 2% pay for performance program and increases in health and dental insurances. The total Finance Department budget for 2017 is \$1,506,471.

## 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.

2017 will again begin in transition for the vacant positions of 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.

2017 is also the County's first year of Sales Tax Revenue sharing with municipalities. New processes encompassed for this sharing will be developed and refined to adequately track and audit the usage of the revenues towards the transportation needs of the County.

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 2017

1. Complete and publish the 2016 Comprehensive Annual Financial Report (CAFR) no later than June 30<sup>th</sup>.
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. Develop an internal audit process to review targeted areas to improve internal controls, operational efficiencies and financial reporting.
4. 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.

5. Work with Corporation Counsel on review and revisions for the Code of Ordinances, Chapter 5 – Budget Ordinance.
6. Work with one of more Departments to develop performance measures and outcome assessment of their programs and services.
7. Deploy the Omni-Circular requirements for single audit compliance. Continue to develop Sheboygan County's plan and implement various internal items for standardized practice for federal funds amongst departments.
8. 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.
9. Organize internal department network directories for improved retention and retrieval of information.