



WISCONSIN

SHEBOYGAN COUNTY

Steve Hatton
Finance Director

March 1, 2024

Honorable Members of the Sheboygan County Board and County Administrator Alayne Krause,

I am pleased to share the progress made by the Finance Department during 2023 in the Annual Report for the Finance Department.

In 2023 the Department continued work on implementing the new financial software that will replace JD Edwards. Teams have been formed and are learning and redesigning processes to bring more efficiencies and controls for the County's financial transactions. This project is a multi-year project and will integrate with other systems within the County.

The Finance Department effectively manages the daily operations of the County's financial transactions and annual reporting requirements of the Annual Consolidated Financial Report. 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 ninth consecutive year, the Finance team earned the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association for the fiscal 2021 report year.

The Finance Department continues to strive to be a collaborative partner with other departments to help achieve their goals and the goals of Sheboygan County. We look forward to the opportunity to assist the Sheboygan County Board and the County Administrator in meeting the financial and operational challenges ahead.

Respectfully submitted,

Steve Hatton
Finance Director

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 2023

- The 2022 Comprehensive Annual Financial Report was published and submitted to required agencies. The Comprehensive Annual Financial Report was also submitted for review with the Government Finance Officers Associations (GFOA) which is awaiting results for a Certificate of Achievement for Excellence in Financial Reporting.
- Successful completion of the Tax Rule 16 report and the Form A Financial Report to the Wisconsin Department of Revenue.
- Successful completion of the 2024 budget process including the County Appropriations and County Levy Limit worksheets to the Department of Revenue by the required deadlines. The resulting tax levy increase for 2024 is \$891,161 or 1.69%.
- The Tyler Munis project remains underway. The project was paused in September due to turnover across departments among members of the implementation team. After recruiting to fill vacancies and train replacements, work is targeted to resume in March of 2024. Prior to the pause, work progressed with Highway, Health and Human Services, and other departments, which are anticipated to experience the greatest impact to their business processes. The implementation team continues to work on developing the features of the new financial system and training for County personnel on reengineered processes.
- Successful issuance of 10-year notes to fund 2023-2024 Capital projects.

Budget

	2023 Budget	2023 Results	Variance
Revenues	\$1,946,092	\$1,999,606	\$53,514
Expenses	\$2,093,904	\$1,825,712	\$268,192
Transfers In/Out	\$147,812	\$110,861	-\$36,951
Total	\$0	\$284,756	\$284,755

The Finance Department total adopted 2023 budget was \$2,093,904 supported by \$1,265,882 of tax levy. The positive \$284,756 performance is the result of vacant positions throughout 2023. The Finance Department levy will increase to \$1,317,128 in 2024. The total budget for 2024 is \$2,327,313.

Issues and Challenges Ahead

The biggest challenge faced by the Finance Department is the age of the Financial Software JD Edwards. A final selection was made in 2020 to replace JD Edwards with Tyler Munis. Data conversions, process redesigns, and system import designs were evaluated and programming started.

The Finance Department, Information Technology Department, and Human Resource Department provide services to all other County departments. In order to meet these service needs and accomplish the extensive work involved with an implementation of a County-wide financial software, the Finance Department will need to carefully establish the time lines involved with this project. It is important to understand that the implementation of the software will be a multi-year effort by all departments involved.

Additionally, the American Rescue Plan Act (ARPA) has brought many needed resources to the County. These resources must follow US Treasury guidelines for use and also for reporting. The Finance Department will work diligently to adhere to the Federal Funding Reporting Requirements and Compliance guidelines.

Goals and Objectives for 2024

- Complete and publish the 2023 Comprehensive Annual Financial Report no later than June 30th.
- Complete and submit 7-year review of Sheboygan County Sales and Use Tax as required per County Ordinance 7.10.
- Complete and submit the Tax Rule 16 Report and the Department of Revenue Report SLF-Form A by the required deadlines.
- Complete and submit the County Appropriations and County Levy Limit Worksheet to the State of Wisconsin by the required deadlines.
- Continue working with Departments to define and develop the business processes for the Tyler Munis implementation.
- Continue training of County personnel on the features of the new financial system and the reengineered processes.