



# SHEBOYGAN COUNTY

**Wendy A. Charnon**

*Finance*

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February 5, 2019

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

I am pleased to share the progress made by the Finance Department during 2018 in the Annual Report for the Finance Department.

In 2018 the department was able to cross train critical functions for payroll processing and accounts payable. In addition, succession planning for the retirement of the lead accountant for the Sheriff Department started in November.

To start 2019, the Finance Department will again be working through vacancies within the department for two Staff Accountants. The Department will also embark on the selection phase of a new Financial System for the County. The Financial System replacement project will be a multi-year project.

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 fifth 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 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,

Wendy A. Charnon  
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 2018

1. The 2017 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 2019 budget process including all required Department of Revenue reports and County levy limit worksheets by required deadlines. The resulting tax levy increase for 2019 is \$886,309 or 1.83%.
3. Successful completion of the 5 Year Capital Plan that included a change in the development timeline to include additional analysis of the requests.
4. Successful integration of performance measures into the budget information packets that are reviewed and approved through the various liaison committees and the Finance Committee.
5. Successful cross training of payroll processing and succession training for the Sheriff Department accounting responsibilities.

## Budget

	2018 Budget	2018 Results	Variance
Revenues	\$1,581,842	\$1,554,034	(27,808) Negative
Expenditures	1,581,842	1,452,501	129,341 Positive
Result		101,533	101,533 Positive

The Finance Department tax levy support for 2018 was \$1,072,481. Total budget was \$1,581,842. The positive \$101,533 performance is the direct result of vacant positions throughout the 2018 fiscal year and the decrease of enrollment into health insurance coverage.

The Finance Department levy support will increase to \$1,106,170 in 2019 as a result of the 2% pay for performance program, increases in health and dental insurances and the increased hours of the Administrative Assistant after the transfer of mail courier duties to the Information Technology Department. The total Finance Department budget for 2019 is \$1,622,078.

## **Issues and Challenges Ahead**

The biggest challenge faced by the Finance Department is the age of the Financial Software JD Edwards. JD Edwards is software designed for manufacturing and has been maintaining the financial transactions of the County since 1999. Being designed for manufacturing, it has proven to be a less than user friendly application for a Governmental Entity. The Finance Department received budget approval to replace the JD Edwards Software and will begin to work with the Information Technology Department and Human Resource Department on the selection of an updated software solution that is designed for Governments.

Financial systems 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.

The Finance Department, Information Technology Department and Human Resources 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 solution, the Finance Department will need to carefully establish the time lines involved. It is important to understand that the implementation of the software chosen will be a multi-year effort by all departments involved.

## **Goals and Objectives for 2019**

1. Complete and publish the 2018 Comprehensive Annual Financial Report (CAFR) no later than June 30<sup>th</sup>.
2. Complete and submit the Tax Rule 16 Report and the Department of Revenue Report SLF-Form A by the required deadlines.
3. Complete and submit the County Appropriations and County Levy Limit Worksheet to the State of Wisconsin by the required deadlines.
4. Work with Corporation Counsel on review and revisions for the Code of Ordinances, Chapter 5 – Budget Ordinance.
5. Work with Departments to develop reporting out on the performance measures and outcome assessments for their programs and services.
6. Complete the selection process for a new County-wide Financial System and begin the planning for implementation.