



SHEBOYGAN COUNTY

Wendy Charnon
Finance

March 12, 2020

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 2019 in the Annual Report for the Finance Department.

In 2019 the department was able to train critical functions for accounts payable processing due to the December retirement of the Accounts Payable Associate and the critical functions of the lead accountant for the Sheriff Department who retired in August.

To start 2020, the Finance Department is excited to begin the implementation of the new Financial System. This is a project to replace JD Edwards, and 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 sixth 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

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 2019

- The 2018 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.
- Successful completion of the 2020 budget process including all required Department of Revenue reports and County levy limit worksheets by required deadlines. The resulting tax levy increase for 2020 is \$1,190,690 or 2.41%.
- Successful completion of the 5 Year Capital Plan that included a change in the development timeline to include additional analysis of the requests.
- Successful expansion of performance measures into the budget information packets that are reviewed and approved through the various liaison committees and the Finance Committee. Standardized format has been developed to include results.
- The selection process for the new Financial System started in July of 2019, with the due diligence phase completed in December 2019. Finalization of the contract will happen in February of 2020.

Budget

	2019 Budget	2019 Results	Variance
Revenues	\$1,622,078	\$1,609,576	\$(12,502) Negative
Expenditures	\$1,626,866	\$1,474,535	\$152,331 Positive
Result	\$4,788	\$135,041	\$139,829 Positive

The Finance Department tax levy support for 2019 was \$1,106,170. Total budget was \$1,626,866. The positive \$135,041 performance is the direct result of vacant positions throughout the 2019 fiscal year and the decrease of enrollment into health insurance coverage.

The Finance Department levy support will increase to \$1,119,326 in 2020 as a result of the 2% pay for performance program and increase in health insurance premiums. The total Finance Department budget for 2020 is \$1,738,442.

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 has made a final selection to replace JDEdwards with Tyler Technologies Munis. We will begin the implementation process in 2020, working closely with the Information Technology Department and Human Resource Department.

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 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 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.

Goals and Objectives for 2020

- Complete and publish the 2019 Comprehensive Annual Financial Report (CAFR) no later than June 30th.
- 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.
- Finalized the Financial System selection and formal agreement by March 1, 2020.
- Work with Departments to define and develop the business processes for the new financial software.
- Address the planning for automated voucher signatures from the committees with the new financial software.