

Finance Department 2010 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 resources, and to provide financial services in support of all County departments and the community in general.

The Finance Department is responsible for all County financial operations; including budgeting, internal and external financial reporting, accounts payable, accounts receivable, payroll, 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 Enterprise One accounting software application that is utilized by most County departments.

Goals and Objectives Achieved in 2010

1. Successful completion of the 2011 budget process, including the timely publication of the budget instructions, the preliminary budget, and the final budget documents, meeting all statutory deadlines. Levy targets were established for all departments for the 2011 budget. As a result of the budget process and the efforts of each department, the tax levy rate only increased, from \$4.96 in 2010 to \$5.23 in 2011. The property tax levy increased for the first time in four years. Previously, Sheboygan County was the only county in Wisconsin to have reduced the levy three consecutive years; 2008, 2009, and 2010.
2. The Finance Department continues to maintain an agreement with the City of Sheboygan to share Purchasing Agent services. The agreement calls for a 50/50 percent time share between the County and the City. The annual cost savings for both entities exceeds \$50,000.
3. The 5-year capital plan for 2011-2015 was approved at the September 21, 2010 County Board meeting. Included in the plan are improvements to runways 13/31, the rails to trails program, the Sheboygan River and harbor cleanup, upgrades to fuel tanks, roof and air conditioning replacements, water and sewer lateral replacements at the courthouse, voice over internet protocol, acquisition of a generator at the courthouse, start of the unified communications project, computer aided dispatch/records management software system, electronic medical records, Medicaid and Medicare billing development, voice and data communications center improvements at Rocky Knoll, improvements to Superior Avenue (CTH "O") and reconstruction of asphaltic surfaces.
4. Provided the County Board, individual committees and departments with appropriate and accurate financial and operational information.

5. The Sheboygan County Revolving Loan Fund Committee approved one new business loan in 2010; Palo Popcorn for \$125,000. Moreover, loans previously granted to Fresh Brands Distributing, Inc. were retired in 2010. As of December 31, 2010, approximately \$736,910 was available for loans to qualified businesses.
6. Reviewed and modified financial policies and procedures in compliance with generally accepted accounting principles (GAAP), and pronouncements of the Governmental Accounting Standards Board, monitored cash management, assessed and projected County debt service and reviewed all resolutions/ordinances for the purpose of providing fiscal notes as necessary.
7. Oversaw the successful transition of payroll responsibilities to the Finance Department.
8. Published the annual financial report and the entire adopted budget to our Internet website.

Budget

The total actual revenue exceeded the budget estimate by \$2,118 in 2010. Original budgeted expenditures for 2010 totaled \$844,657, a decrease of 8.2% from the 2009 budget. Actual expenditures for 2010 were under budget by \$2,837. The combination of excess revenues and reduced expenditures resulted in a positive variance of \$4,955 for the year ended December 31, 2010.

Despite a modest increase in the tax levy, the 2011 budget process called for a majority of departments to reduce their reliance on the tax levy. This goal was achieved through an effective budget process, declining debt service, staff reductions in various departments and refinements in the health insurance plan. The Finance Department was able to reduce the levy amount required to sustain departmental operations by \$14,356 or 2% from 2010 to 2011, primarily through the development of additional revenue sources.

Issues, Concerns and/or Challenges Ahead

As a result of the transition in department leadership and increase in department responsibilities, reviewing and monitoring the reorganization and distribution of various job responsibilities with the intent to maximize efficiencies and improve financial reporting methods will be a primary focus of the Finance Department in 2011.

For several years it has been the department's goal to integrate the GASB 34 reporting requirements into our JD Edwards software. Due to both the transition of personnel and the reorganization of multiple job responsibilities, this goal could not be achieved in 2010. Consequently, we will utilize both Microsoft Access and Excel to process the JD Edwards data for preparation of the government-wide financial statements for 2010, with the intent of completing this conversion in 2011.

With the implementation of GASB Statement #45 all governments are now required to recognize a liability for the future cost of retiree health care benefits. Recognition of this liability will create an unfunded OPEB liability that will weaken our balance sheet and could be problematic with bond raters and lenders as we issue debt to fund our capital improvement program. Consequently the Human Resources Committee and County Board remains pro-active in minimizing the cost associated with OPEB through review and refinement of retiree benefit options and by adjusting the retiree premium rates to more accurately reflect the claims cost for the retiree group. Continuing to be pro-active in modifying benefits and adjusting retiree premiums will ensure that the OPEB liability will be minimized and eventually eliminated.

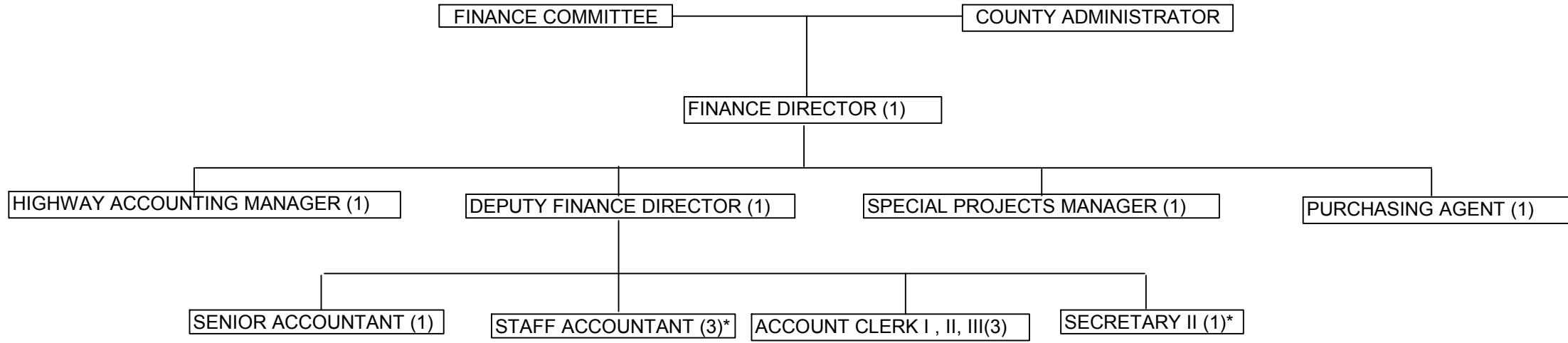
Goals and Objectives for 2011

1. Complete and publish the 2011 Annual Financial Report no later than July 31st.
2. Work with the Finance Committee and County Administrator to develop the 2012 budget process, focusing on prioritization of programs and services, developing new methods for improving efficiencies and containing costs in efforts to overcome operational obstacles and achieve organizational goals. This will prove to be a challenge in 2011 going forward, with the continued reduction in state funding, mandated levy limits, increasing operational and personnel-related costs and budget developments at the State level.
3. Assist in a pilot program implementing the use of “zero based” budgeting for a test department for the 2012 budget.
4. Investigate new sources of revenue and cost containment strategies.
5. Modify and enhance the 5-year capital plan process to improve focus, continuity, timing of funding, and ongoing reporting.
6. 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.
7. Review and convert Microsoft Access files to Excel files to improve overall efficiencies on both internal and external financial reporting.
8. Utilize the role of the Purchasing Agent to maximize purchasing efficiencies for both the city and county.
9. Maintain ongoing effort to establish more countywide financial policies and procedures.
10. Continue to process general accounting services in a timely manner, monitor cash management, assess and project County debt service and review all resolutions/ordinances for the purpose of providing fiscal notes when necessary.

11. Maintain an ongoing positive relationship with the media and the public, by providing timely, useful information upon request.
12. Conduct selective internal audits of specific departments.
13. Complete implementation of the “Payment Plus” program to improve payment process to vendors and provide an additional revenue stream to the County.
14. Begin implementation of “paperless” payments to a majority of vendors and employees to reduce payment costs and improve efficiency.
15. Improve the functionality, usability, and reporting of the LOGOS payroll system and begin improvements to the County’s time and attendance modules to help enhance information provided to departments.
16. Implement the new fund balance reporting standards set forth in GASB Statement 54 for the 2011 financial statements.

4/28/2009

SHEBOYGAN COUNTY FINANCE DEPARTMENT



VACANT POSITION: SECRETARY II