

POPULAR ANNUAL FINANCIAL REPORT

Sauk County, Wisconsin

For the Year Ended December 31, 2018



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Purpose of Report

The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the County and is prepared primarily from detailed information contained in the County's 2018 Comprehensive Annual Financial Report (CAFR), with selected information from CAFRs prepared for earlier years.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and includes audited financial statements. As such, it provides much more detail as well as full disclosure of all material events, both financial and non-financial. The GAAP presentation also includes information on individual funds.

The information in the CAFR by its nature can be technical and complex and as such not as useful to citizens wishing to gain an overview of the County's finances. The PAFR has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the County, without the heavy use of technical accounting terms or excessive detail. The financial data presented in the PAFR does not include the fiduciary funds and is not intended to provide a complete financial picture of the County in accordance with GAAP.

The CAFR, the PAFR, and the budget are available on the County's website at:

<https://www.co.sauk.wi.us/accounting/budget-and-financial-archive>



History

The American Indian population in Sauk County dates back thousands of years prior to European settlers, with evidence suggesting that early inhabitants of Wisconsin date back 10,000 years ago. Sauk, Ho-Chunk, and earlier Native Americans lived in this area. Sauk County has effigy mounds that have survived from this time, including a National Historic Landmark at Man Mound County Park.

In the spring of 1838, three men staked out claims at the present site of Sauk City. By 1840, settlements established at what are now Prairie du Sac and Baraboo. Sauk County formed in 1840 and was surveyed between 1840 and 1845.

In the years 1840 through 1860, Sauk County was in a pioneering phase. The population increased from a few hundred residents to almost 19,000 during that 20-year time frame. Principal activities included wheat farming and the raising of hops.

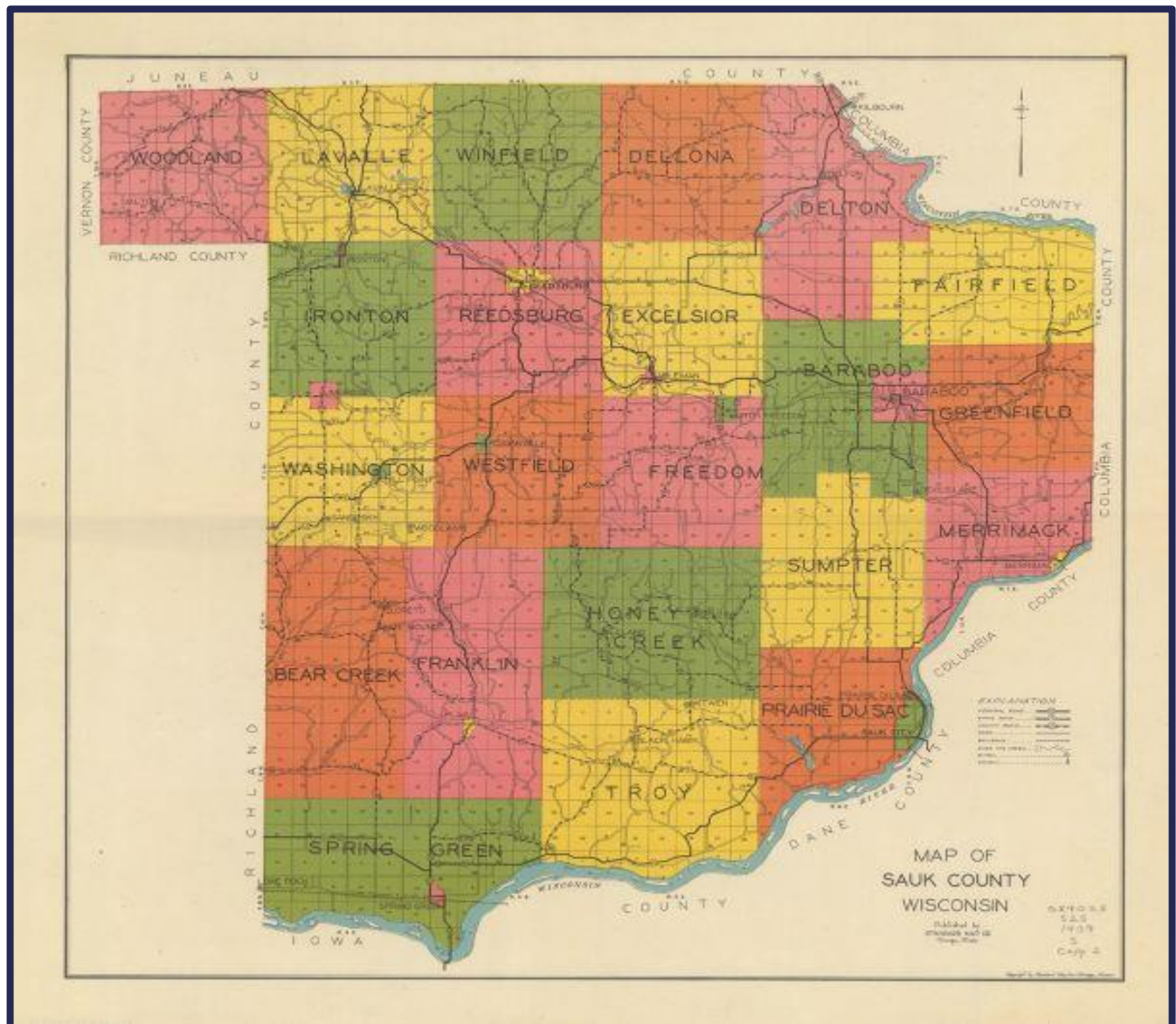
The 1860's and 1870's saw another economic boom stimulated by the expansion of railroads through the County. Villages and cities were chartered and the number of farms in the county peaked at 3,886. By the turn of the century, the County population had exceeded 33,000 and the production of dairy products and row crops became more predominant in agriculture.

Population growth slowed during the early part of the twentieth century. Industrial development and tourism stimulated growth again in the decade immediately following World War II and most recently during the last 25 years.



Demographics

Sauk County is comprised of 538,432 acres, (a total of 830.9 square miles), including 22 towns, 14 villages, and 3 cities and is located in South Central Wisconsin, approximately 40 miles northwest of Madison and 100 miles northwest of Milwaukee. In addition, Sauk County is less than 250 miles from the Chicago and Minneapolis-St. Paul metropolitan areas. There are 300+ miles of state highways, 300+ miles of County highways, and 1,100 miles of town, village and city roads. Interstate Highway 90/94 runs diagonally through the County and provides easy access to many major Midwestern cities.

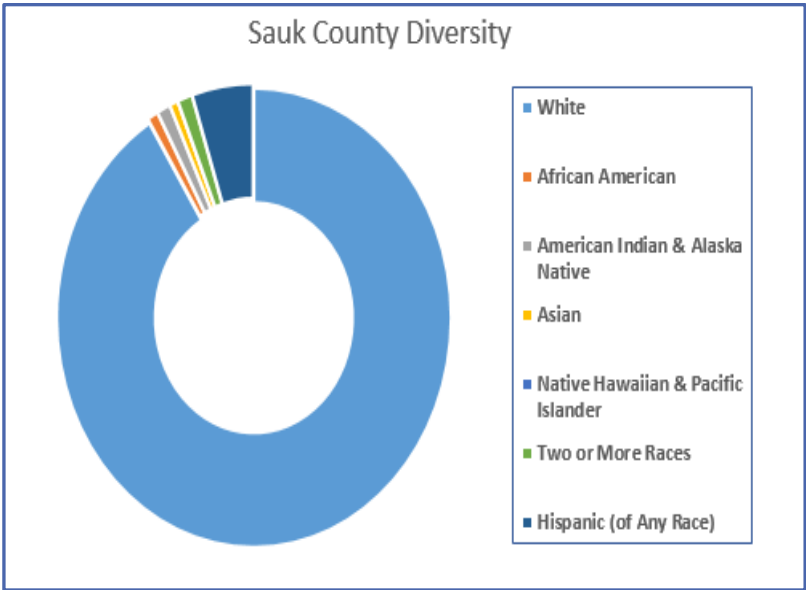


The geographic profile comparing Sauk County to the State of Wisconsin shows that Sauk County is less densely populated than other regions of the state.

	Sauk County	Wisconsin
Land area in square miles	832	54,161
Persons per square mile, 2018	74.6	107.2

The 2018 estimated Sauk County population is 62,822 people. Sauk County is 25th largest of the 72 counties in Wisconsin. The City of Baraboo (the County seat) is the largest in population with 19% of the County’s population, but the combined tourism area of the Village of Lake Delton and City of Wisconsin Dells (the Sauk County portion) has 22.5% of equalized value. Sauk County is served by ten school districts, which provide education to students in the kindergarten through the twelfth grades. Post-secondary education is provided by a two-year University of Wisconsin Platteville – Baraboo/Sauk County campus, Reedsburg Campus of the Madison Colleges, as well as the University of Wisconsin-Madison and main Madison Colleges campus, which are both less than an hour from Sauk County.

The median age of County residents is 41.4 years (also higher than the state’s median age).



The population is not diverse, and the largest minority groups are Hispanic (5%) and American Indian (1%).

The 25,293 family households in the County with an average family size of 2.4 persons are comparable to that of the state as a whole.

As a premier tourist area, the transient population of Sauk County is large. The Wisconsin Dells/Lake Delton area alone accounts for an additional 50,000 visitors daily. Devil’s Lake State Park in Baraboo is the most visited state park in Wisconsin with over 3 million visitors per year. This coupled with importing workers to staff the tourism related industries significantly increases overall population figures.

SAUK COUNTY DEMOGRAPHIC STATISTICS CURRENT AND LAST TEN FISCAL YEARS						
Fiscal Year	Population (1) ▼	Per Capita Income ▼	Personal Income (2) ▼	High School Graduates (4)	School Enrollment (5)	Unemployment Rate (6)
2009	61,338	\$36,276	\$2,225,094,000	83.5%	12,772	8.3%
2010	61,976	\$35,967	\$2,229,116,000	83.5%	12,716	8.4%
2011	61,951	\$38,074	\$2,358,745,000	88.8%	12,856	7.6%
2012	61,994	\$40,166	\$2,490,081,000	88.4%	12,983	6.9%
2013	62,041	\$41,256	\$2,559,561,000	89.4%	12,921	6.3%
2014	62,092	\$40,745	\$2,582,357,000	89.4%	13,074	5.1%
2015	62,207	\$43,763	\$2,785,187,000	89.6%	13,033	4.1%
2016	62,187	\$44,037	\$2,816,134,000	90.0%	12,934	3.5%
2017	62,240	\$45,847	\$2,933,322,000	90.9%	12,816	2.5%
2018	62,822	(3)	(3)	91.0%	12,920	2.6%

A slightly lower percentage of residents have high school as well as bachelors or graduate degrees as compared to the state as a whole. A smaller percentage of individuals (10.1%) fall below the federal poverty standards.

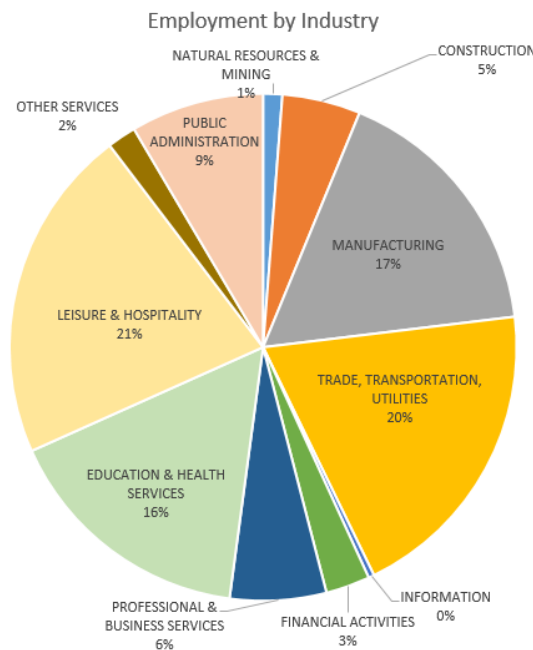
Unemployment rates for 2018 are at 2.6%. Sauk County typically has lower rates of unemployment than both the state (3.0%) and nation (3.9%), and is quicker to recover during recessions.

Per capita income for the County in 2017 was \$45,847. Sauk County is lower than that of the state as a whole (\$47,850), due in part to employment in the lowest paying wage sector of leisure and hospitality. Median household income is \$53,225.

The population of the County has grown at a rate that is less than both the state and the nation. The rate of net in-migration may increase, due in part to a comparatively strong local economy, affordable housing and in part to an improved transportation corridor to Madison. These factors will increase the demand for additional housing units, particularly in the low to moderate affordability range. The increasing number of people will also increase the demand for a wide variety of public services in areas like education and law enforcement.

Economy

Although heavily influenced by the tourism (leisure and hospitality) industry, Sauk County has been able to maintain a robust and diversified economy. The most recent estimates from the Wisconsin Department of Workforce Development indicate that while the leisure and hospitality sector accounts for approximately 21% of the total employment in the County it is followed closely by trade (wholesale and retail) at 20% and manufacturing at 17%.



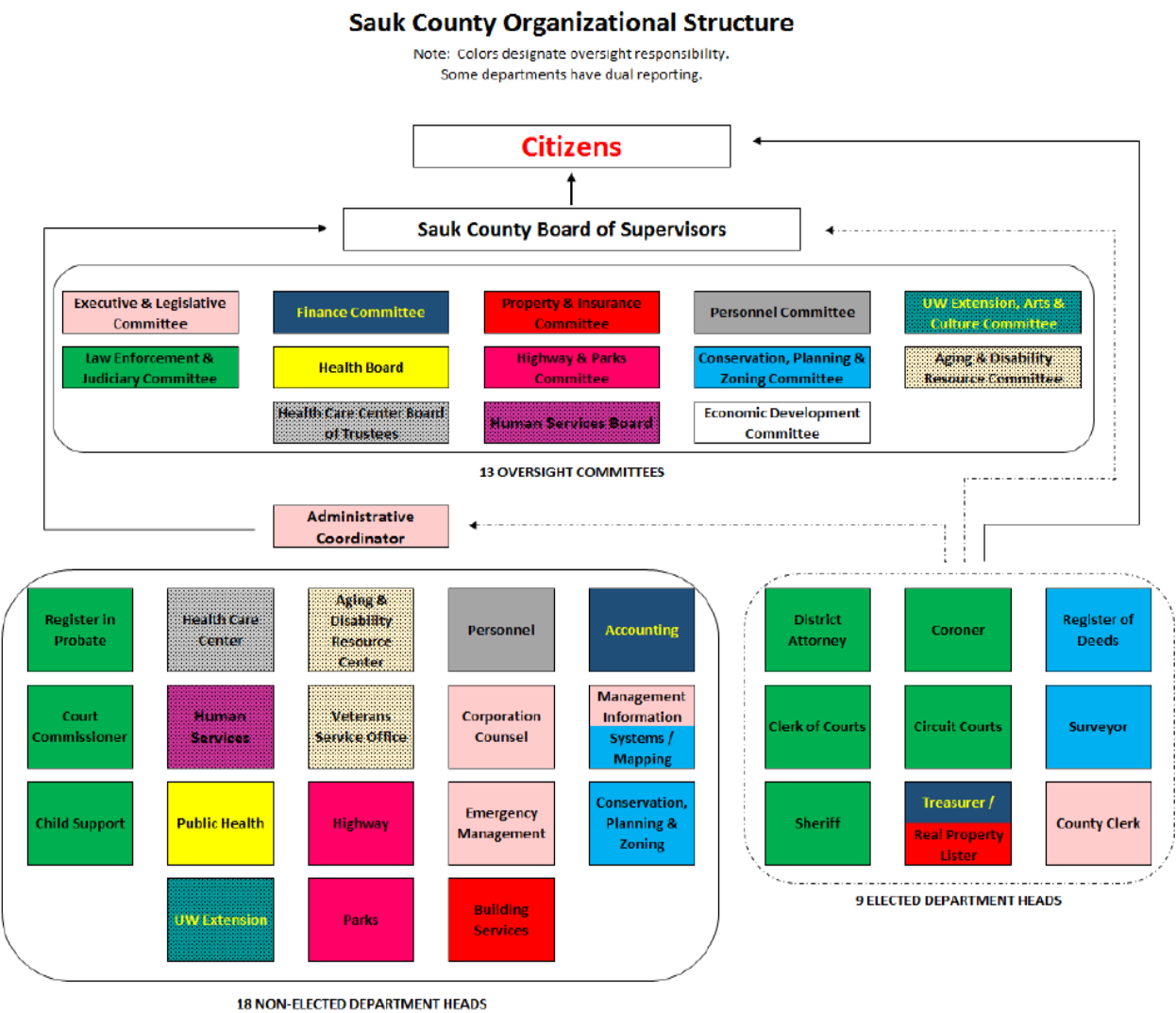
When looked at in terms of average annual wage, construction pulls far ahead of other sectors at an average salary of \$60,618.

2018 Wage Distribution and Employment by Industry in Sauk County

Industry	Average Annual Wage	Industry	Average Monthly Employment
NATURAL RESOURCES & MINING	\$38,941	NATURAL RESOURCES & MINING	449
CONSTRUCTION	\$60,618	CONSTRUCTION	1,836
MANUFACTURING	\$52,262	MANUFACTURING	6,199
TRADE, TRANSPORTATION, UTILITIES	\$32,173	TRADE, TRANSPORTATION, UTILITIES	7,248
INFORMATION	\$31,401	INFORMATION	134
FINANCIAL ACTIVITIES	\$55,705	FINANCIAL ACTIVITIES	1,035
PROFESSIONAL & BUSINESS SERVICES	\$52,482	PROFESSIONAL & BUSINESS SERVICES	2,258
EDUCATION & HEALTH SERVICES	\$45,280	EDUCATION & HEALTH SERVICES	5,948
LEISURE & HOSPITALITY	\$20,482	LEISURE & HOSPITALITY	7,852
OTHER SERVICES	\$26,755	OTHER SERVICES	678
PUBLIC ADMINISTRATION	\$39,898	PUBLIC ADMINISTRATION	3,125

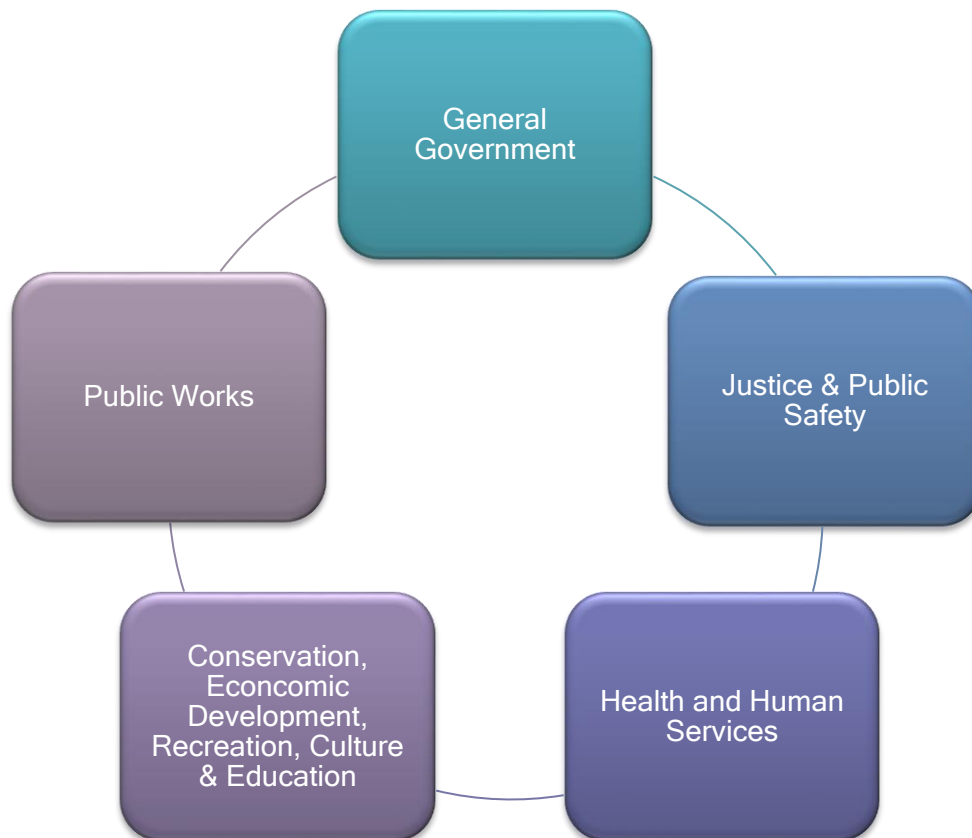
Governmental Structure

Sauk County provides a range of governmental services authorized by state statute, under the direction of an Administrative Coordinator and a 31- member County Board whose total membership is elected every two years. The Chair of the County Board of Supervisors is elected by other members of the Board and presides over the Count Board sessions and names committee membership. There are nine elected department heads whose offices are established by the Wisconsin Constitution. These offices are the Circuit Courts Judges, Clerk of Courts, Coroner, County Clerk, District Attorney, Register of Deeds, Sheriff, Surveyor and Treasurer. In addition, the County has eighteen non-elected department heads that administer the County, State and Federal regulations specific to their departments.



The services provided by the County are categorized into the following five functions.

- General government function includes the administrative coordinator, accounting, buildings, criminal justice coordinating, corporation counsel, clerk, management information systems, personnel, register of deeds, surveyor, and treasurer.
- Justice and public safety function includes a 3-branch court system; the district attorney, the sheriff, jail and work release facility and public safety communications.
- Health and human services function includes caring for children, mental health, developmentally disabled, the aged and disabled.
- Conservation, economic development, recreation, culture and education function includes conservation, planning, zoning, parks, and University of Wisconsin Extension.
- Public works function includes a highway and transportation system and landfill.

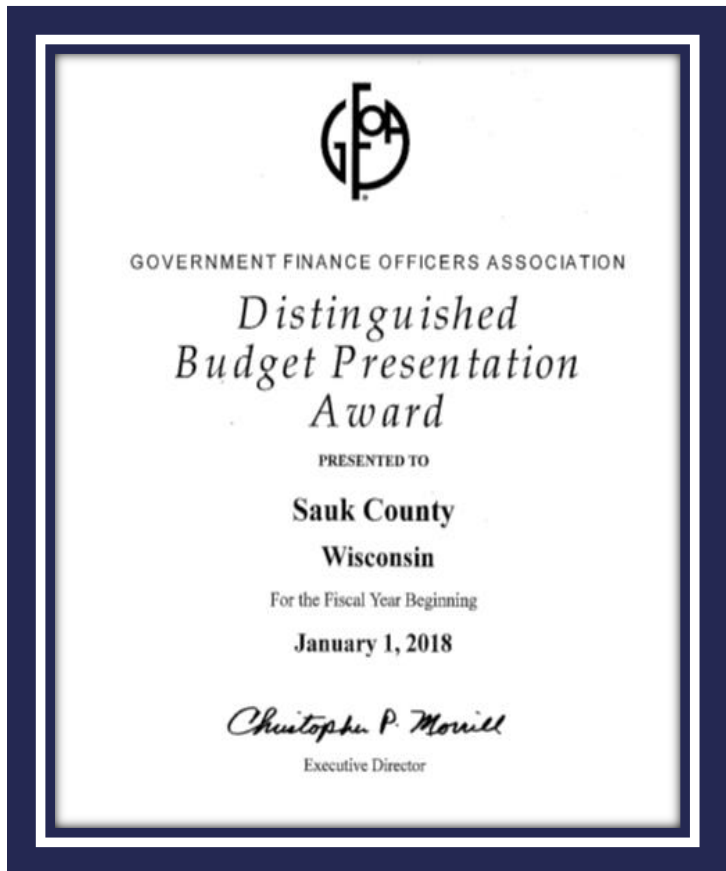


Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sauk County for its comprehensive annual financial report for the fiscal year ended December 31, 2017. This was the 6th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County has also received the GFOA's Award for Distinguished Budget Presentation for each of the past fifteen fiscal years beginning with 2003. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning, organization and communication.



Financial Highlights

Sauk County's primary government total net position increased by \$4.2 million, or 2.6%, from the prior year. The County's net investment in capital assets increased by \$1.9 million, consisting of routine infrastructure upgrades, White Mound Park office and community building construction of \$900,000, and debt payment of \$1.7 million. An increase in unrestricted net position of \$3.2 million resulted from budget variances. Total assets increased by a net \$9.6 million, comprised of an increase in net pension asset of \$6.6 million, cash and investments of \$1.4 million, and an increase in accounts receivable of \$1.2 million due to slightly delayed receipt of revenues in the first two months of 2019. Deferred outflows increased \$410,000 related to post-employment benefits and pension related amounts. Liabilities decreased \$3.7 million largely due to \$1.8 million pension liability becoming a pension asset and payment of long-term debt of \$1.7 million. Deferred inflows increased by \$9.5 million, almost entirely related to pension.

The County's primary government operating expenses in 2018 were \$3.7 million more than 2017, at \$80.0 million. Increased expenses include \$2.9 million in health and social services. Highway expenses increased \$1.0 million, or 13.5%, with increased costs for construction of the Great Sauk State Trail (GSST). Health Care Center expenses decreased \$538,000 reflecting staff efficiencies.

Program revenues decreased by 1.8%, or \$727,000. The culture, education and recreation category decreased due to a 2017 transfer of White Mound Park from the State of Wisconsin of \$3.0 million and lower GSST construction cost participation from local municipalities of \$500,000. Health and social services operating grants increased community living and support programs by \$2.0 million. Highway revenues remained essentially unchanged, and the Health Care Center showed an increase of \$184,000 due to increased collections.

The County's primary government total debt decreased by \$2.6 million during the current fiscal year due to scheduled debt service payments and premium amortization.

Net Position

An analysis of the County's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the County's net position and changes therein. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

Sauk County Condensed Statements of Net Position (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2017 (as restated)	2018	2017 (as restated)	2018	2017 (as restated)	2018
Current and other assets	\$ 85.0	\$ 92.6	\$ 15.8	\$ 18.5	\$ 100.8	\$ 111.2
Capital assets, net of depreciation	99.5	99.3	21.5	21.0	121.0	120.3
Total Assets	184.5	191.9	37.3	39.5	221.8	231.4
Deferred outflows of resources	10.4	9.5	3.7	3.1	14.1	12.6
Current and other liabilities	5.5	5.8	1.0	1.4	6.5	7.2
Non-current liabilities	15.3	12.3	12.0	10.7	27.3	23.0
Total Liabilities	20.8	18.1	13.0	12.1	33.9	30.2
Deferred inflows of resources	28.9	35.8	7.8	8.5	36.6	44.3
Net Position:						
Net investment in capital assets	92.2	93.8	11.9	12.3	104.2	106.0
Restricted	12.4	16.5	0.0	1.5	12.4	18.0
Unrestricted	40.6	37.3	8.3	8.3	48.8	45.6
TOTAL NET POSITION	\$ 145.2	\$ 147.6	\$ 20.2	\$ 22.1	\$ 165.4	\$ 169.6

Governmental assets increased \$7.4 million. The change in assets contained a \$5.1 million increase in pension assets, a \$1.4 million increase in cash and investments, a \$1.2 million increase in accounts receivable due to collections of 2018 revenues in the subsequent year, and increases in taxes receivable of \$900,000. Internal balances decreased \$1.9 million. Deferred outflows decreased \$856,000 due to pension amounts. Total governmental liabilities decreased \$2.8 million, with a \$1.4 million decrease in pension related amounts and debt payment of \$1.7 million. Deferred inflows increased \$6.9 million with a \$900,000 increase due to property taxes for the subsequent year and the remainder related to pension. Finally, total governmental net position increased \$2.4 million, or 1.7%. Net investment in capital assets increased \$1.5 million primarily from infrastructure additions and payment of debt service of \$1.7 million. Restricted funds increased \$4.1 million largely due to a pension asset. Unrestricted funds decreased \$3.3 million with increases from budget variances being offset by pension activity.

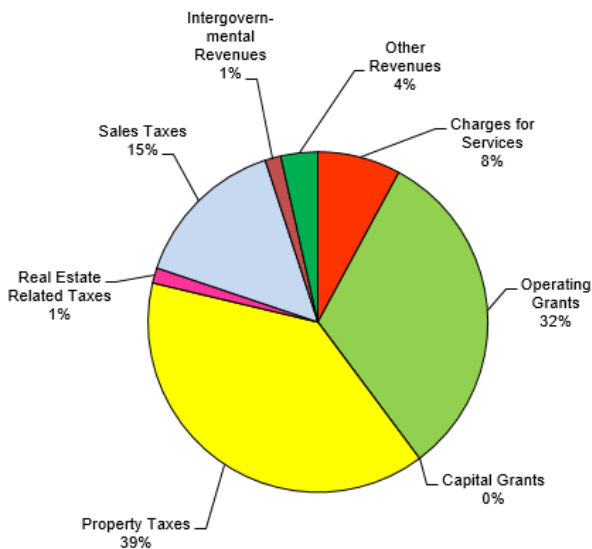
Business type assets increased by \$2.2 million. The major increases were in the internal balances (\$1.9 million) and pension assets (\$1.5 million), but with a decrease in taxes receivable of \$731,000. Deferred outflows increased \$0.6 million due to pension related amounts. Business-type liabilities decreased \$0.9 million with debt repayment, but deferred inflows increased \$0.7 million from pension activities. Finally, total business-type net position increased \$1.9 million, or 9.1%, largely related to pension activities.

Revenues “WHERE DOES THE MONEY COME FROM?”

Sauk County’s Changes in Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
REVENUES						
Program Revenues						
Charges for services	\$ 4.8	\$ 5.0	\$ 11.7	\$ 11.8	\$ 16.5	\$ 16.8
Operating grants and contributions	18.3	20.0	2.1	2.8	20.4	22.8
Capital grants and contributions	3.0	-	0.8	-	3.8	-
General Revenues						
Property taxes	23.9	24.6	6.4	6.3	30.3	30.9
Sales taxes	9.2	9.4	-	-	9.2	9.4
Other taxes	0.9	0.9	-	-	0.9	0.9
Intergovernmental revenues not restricted to specific programs	0.9	1.0	-	-	0.9	1.0
Other	1.3	2.2	-	0.2	1.3	2.4
Total Revenues	62.3	63.1	21.0	21.1	83.3	84.2

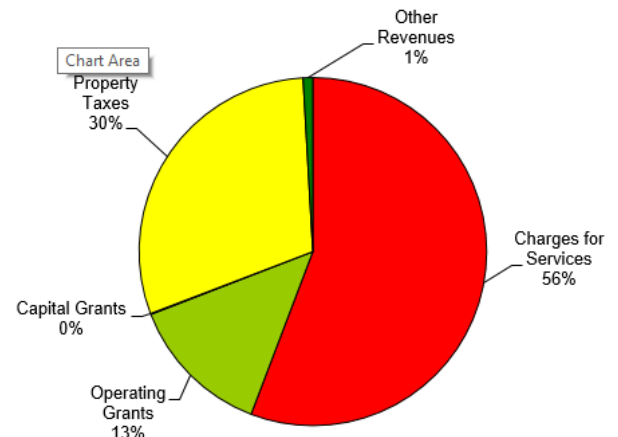
2018 Sauk County Governmental Revenues



The County’s governmental activities revenues decreased by \$909,000 overall, or 3.5%. The culture, education and recreation category decreased due to a 2017 transfer of White Mount Park from the State of Wisconsin \$3.0 million and lower Great Sauk State Trail construction cost participation from local municipalities of \$500,000. Health and social services operating grants increased community living and support programs by \$2.0 million.

The County’s Business-type activities program revenues increased by 1.3% overall, or \$182,000. Highway revenues remained essentially unchanged, and the Health Care Center showed an increase of \$184,000 due to increased collections.

2018 Sauk County Business-Type Revenues

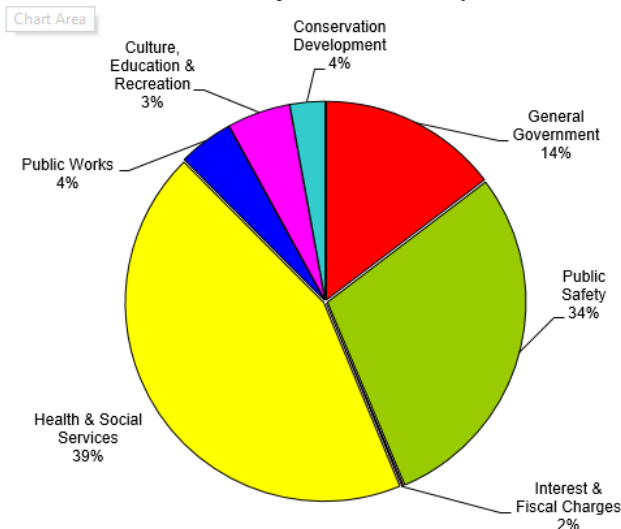


Expenses “WHERE DOES THE MONEY GO?”

Sauk County’s Changes in Net Position
(in millions)

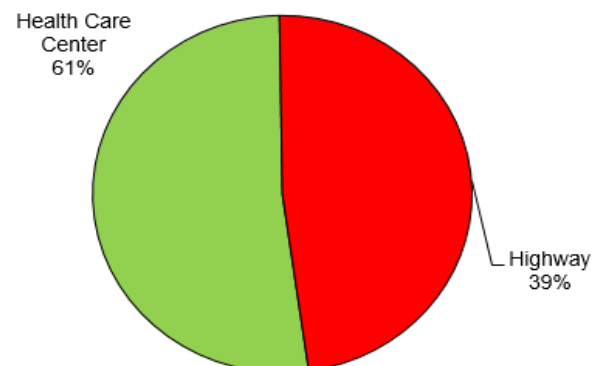
	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
EXPENSES						
General government	8.5	9.1	-	-	8.5	9.1
Public safety	18.4	17.9	-	-	18.4	17.9
Public works	2.3	2.8	-	-	2.3	2.8
Health and social services	24.1	27.0	-	-	24.1	27.0
Culture, education and recreation	3.3	3.2	-	-	3.3	3.2
Conservation and development	1.9	1.8	-	-	1.9	1.8
Interest and fiscal charges	0.1	0.1	-	-	0.1	0.1
Highway	-	-	7.7	8.7	7.7	8.7
Health Care Center	-	-	10.0	9.4	10.0	9.4
Total Expenses	58.6	61.9	17.7	18.1	76.3	80.0

2018 Sauk County Governmental Expenses



Governmental expenses increased \$3.2 million. Increased expenses include \$2.9 million in health and social services. General government expenses increased \$544,000 with natural increases to operating and staff costs. Public works expenses increased \$459,000 with infrastructure depreciation and revaluation of the landfill long-term care liability increasing \$144,000.

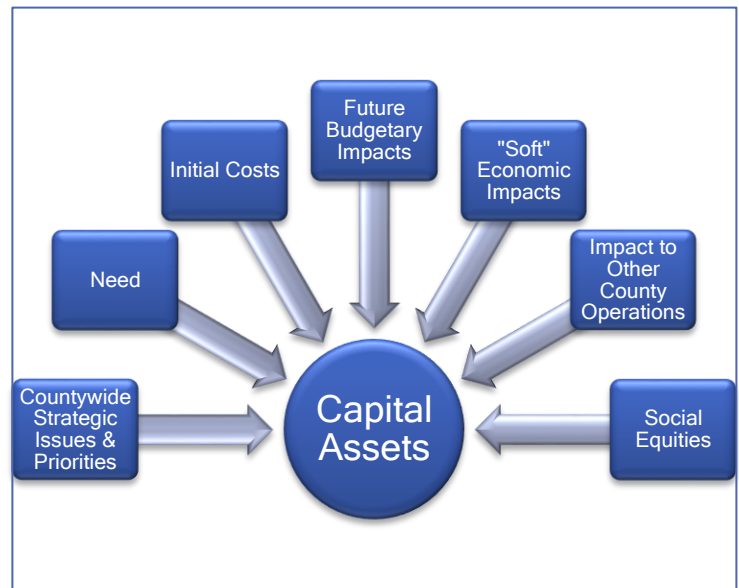
2018 Sauk County Business-Type Expenses



The County’s business-type expenses in total increased \$497,000, or 2.8%. Highway expenses increased \$1.0 million, or 13.5%, with increased costs for construction of the Great Sauk State Trail (GSST). Health Care Center expenses decreased \$538,000 reflecting staff efficiencies.

Capital Assets “WHAT DO WE OWN?”

Sauk County’s investment in capital assets for governmental activities as of December 31, 2018 amounted \$99.3 million (net of depreciation), a net decrease of \$235,000. Investments in capital assets include buildings (including a new White Mound Park’s office and community building), machinery and equipment. Routine reconstructed roadways, infrastructure and equipment replacement were less than planned depreciation.



The County’s investment in business-type activities capital assets as of December 31, 2018 was \$21.0 million (net of depreciation), a net decrease of \$513,000. Changes consisted primarily of routine highway equipment replacement and depreciation.

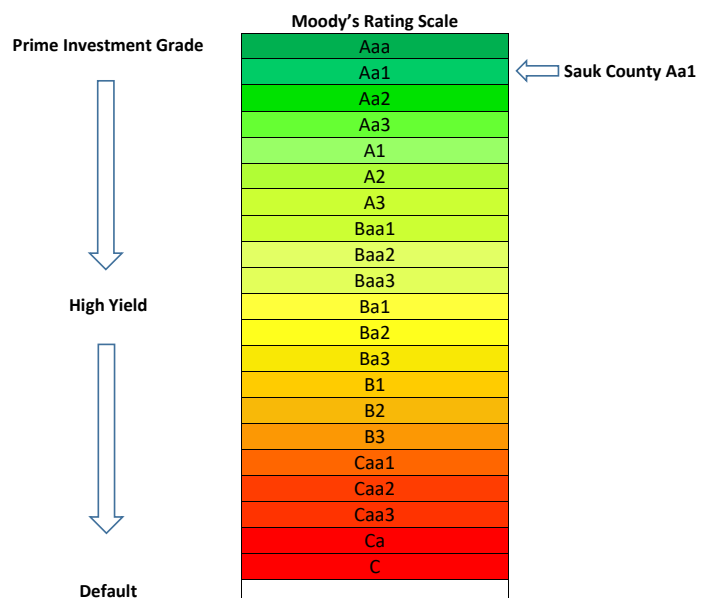
	Sauk County’s Capital Assets (Net of Depreciation)			
	Governmental Activities		Business-type Activities	
	2017	2018	2017	2018
Land	\$ 4,801,625	\$ 4,801,625	\$ 614,557	\$ 614,557
Purchased development rights	6,778,466	6,778,466	-	-
Construction in progress	1,002,915	562,226	195,607	263,210
Intangibles	422,762	392,837	220,605	206,745
Land improvements	887,864	938,233	297,053	278,998
Buildings	37,242,821	37,782,024	13,628,718	13,151,419
Building improvements	4,379,312	4,183,839	-	-
Machinery, equipment, and vehicles	3,560,714	4,089,323	6,484,200	6,415,780
Infrastructure	40,450,082	39,762,862	48,532	45,649
Totals	\$ 99,526,561	\$ 99,291,434	\$ 21,489,272	\$ 20,976,358

Long-Term Obligations “WHAT DO WE OWE?”

Sauk County had \$14.1 million in general obligation notes and bonds outstanding as of December 31, 2018. \$5.4 million of this amount is for governmental activities for construction of a law enforcement facility containing Sheriff and Coroner offices and the jail. The remaining \$8.7 million was issued as financing for construction of a replacement skilled nursing facility and is reported in business-type activities.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-18
General Obligation Debt					
Refunding bonds	7/18/2016	10/1/2021	2.00%	\$ 7,125,000	\$ 5,370,000
Total Governmental Activities – General Obligation Debt					\$ 5,370,000
Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12-31-18
General Obligation Debt					
Refunding bonds	10/13/2009	10/1/2023	2.00 – 4.00%	\$ 4,965,000	\$ 3,650,000
Refunding bonds	4/20/2017	10/1/2027	2.00 – 3.00%	5,080,000	5,055,000
Total Business Type Activities – General Obligation Debt					\$ 8,705,000

Sauk County’s general obligation bond rating by Moody’s Investor Services, Inc. remains at Aa1.



Investments “HOW SAFE IS OUR MONEY?”

Sauk County investment practices and policies are based on state law and the prudent person rule, which states that investments and deposits shall be made with judgement and care. The objectives of Sauk County, in order of importance, are 1) preservation of principal, 2) liquidity of investments, and 3) rate of return. Investments and deposits are made by the Sauk County Treasurer.

Custodial Credit Risk	Risk that in the event of the failure of a counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.	The County only considers the Local Government Investment Pool or investments rated in the highest or second highest rating categories, minimizing credit risk. The County will generally invest no more than 5% of its funds that are not properly collateralized or insured in a single issuer, minimizing concentration of credit risk. Any bank account including certificates of deposit with a balance greater than the bank's deposit insurance or the State Deposit Guarantee must be collateralized at 100% of the collateral's market value by written agreement with the bank.
Credit Risk	Risk that an issuer of an investment will not fulfill its obligation.	
Interest Rate Risk	Risk that changes in interest rates will adversely affect the fair value of an investment.	
Concentration of Credit Risk	Risk that a lack of diversification may expose the County to loss from adverse economic, regulatory geographic or credit developments.	
Foreign Currency Risk	Risk of loss of value for investments denominated in a currency other than the U.S. dollar.	

The Treasurer matches maturities of investments and certificates of deposit with the cash flow needs of the County, but no investment will be entered into for a maturity longer than three years.

Cash and Investments Carrying Value	
Petty Cash and Cash on Hand	\$ 5,993
Deposits	\$ 38,051,877
LGIP	\$ 19,921,604
DTC (negotiable) CDs	\$ 247,000
Total Cash and Investments	\$ 58,226,474

General Fund

The general fund is the chief operating fund of Sauk County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$34.0 million, while total fund balance reached \$43.3 million. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditure. Unassigned fund balance represents 89% of total general fund expenditures, while total fund balance represents 114% of that same amount.

	General Fund Balance and Expenditures									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Reserved	\$2.5	\$2.8	-	-	-	-	-	-	-	-
Unreserved, Designated	15.5	15.8	-	-	-	-	-	-	-	-
Unreserved, Undesignated	4.7	5.6	-	-	-	-	-	-	-	-
Nonspendable	-	-	2.7	2.6	1.9	1.7	1.5	1.4	1.4	1.6
Restricted	-	-	0.4	0.7	0.7	-	-	-	-	-
Assigned	-	-	2.9	3.2	5.7	7.0	4.4	6.4	8.5	7.6
Unassigned	-	-	20.2	22.2	23.6	24.9	29.1	31.3	31.0	34.0
Total General Fund Balance	\$22.8	\$24.2	\$26.2	\$28.7	\$31.8	\$33.6	\$35.0	\$39.2	\$40.9	\$43.3
General Fund Expenditures	\$30.4	\$31.2	\$28.9	\$28.8	\$29.7	\$30.5	\$34.5	\$32.2	\$34.9	\$38.1
Unassigned Fund Balance as % of Expenditures	N/A*	N/A*	70%	77%	79%	82%	84%	97%	89%	89%
Total Fund Balance as % of Expenditures	N/A*	N/A*	91%	100%	107%	110%	101%	121%	117%	114%

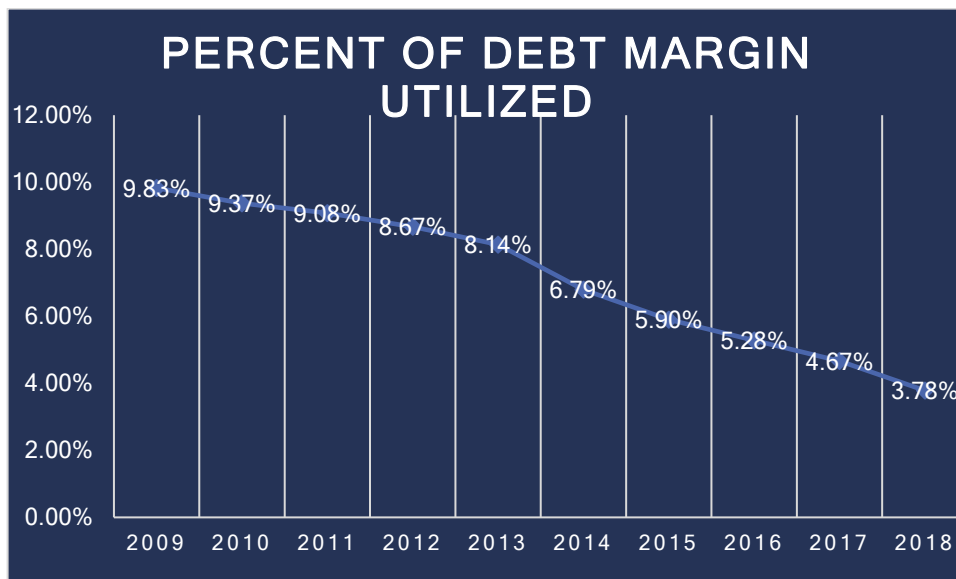
*The County implemented GASB Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions in 2011. This statement establishes new fund balance classifications, which are based primarily on the extent to which the County is bound to observe constraints on the use of the resources reported in governmental funds. As a result of implementing this standard, the fund balance categories used beginning in 2011 are not directly comparable to the fund

Fund balance of Sauk County's general fund increased by \$1.1 million during the current fiscal year. Key factors in this growth are:

- *Increase:* Transfer of excess funds from Human Services exceeded budget by \$1,950,000.
- *Increase:* Sales tax collections exceeded budget by \$600,000.
- *Decrease:* Use of fund balance for capital items: White Mound Park office and community building, \$600,000; Sheriff computer system acquisition, \$344,000; energy and cost saving facility upgrades, \$283,000; and communications infrastructure upgrades, \$239,000.

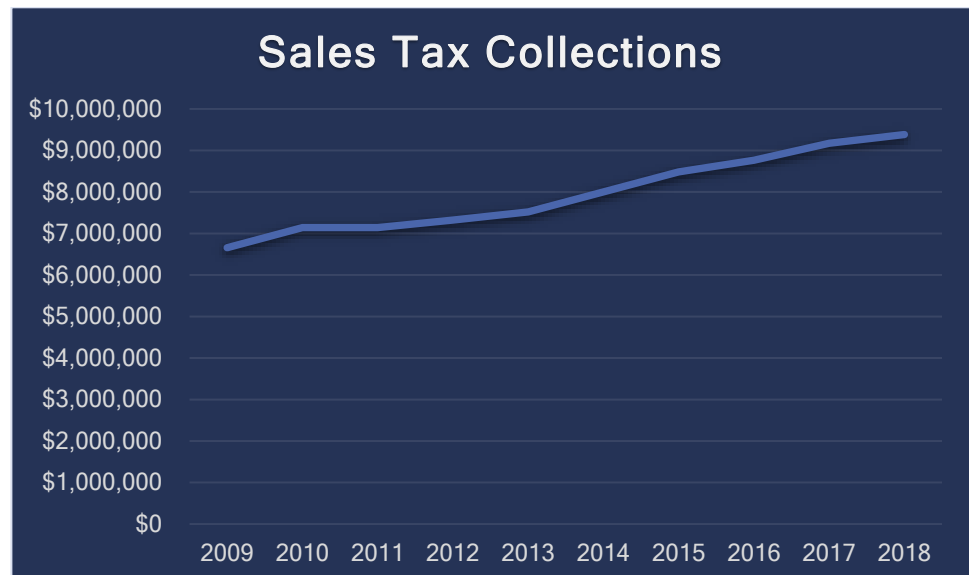
Ratios and Trends “HOW ARE WE DOING?”

Looking at key financial ratios and trends over several years enables the County to have a clearer picture of where it has been and where it is going.



Wisconsin Statutes limit the total indebtedness of the County to 5% of equalized value, which is \$371,871,810. The County is far below this limit for 2018 at \$14,075,000.

Although collection of the 0.5% sales tax fell by nearly 7.9% in 2009, 2018 saw the largest collections ever, at nearly \$9.4 million.

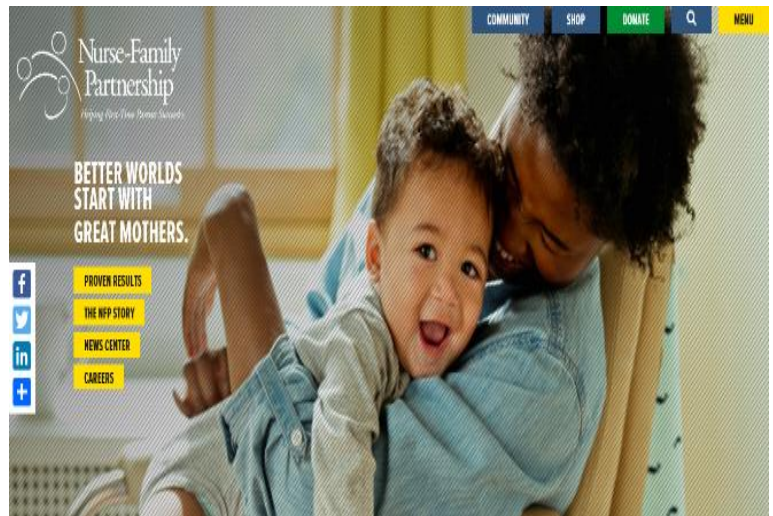


Major Initiatives

Nurse Family Partnership

The Nurse Family Partnership program assists at-risk first-time mothers by improving the health, well-being and self-sufficiency of low-income, first-time parents and their children. They have three important goals:

- ☺ Improve pregnancy outcome by helping women engage in good preventive health practices.
- ☺ Improve child health and development by helping parents provide responsible and competent care.
- ☺ Improve the economic self-sufficiency of the family by helping parents develop a vision for their own future by continuing their education and finding work.



Some of the known benefits for the children include a 48% reduction in child abuse and neglect, 56% reduction in ER visits for accidents and poisonings, 50% reduction in language delays, 67% reduction in behavioral and emotional problems in children age 6. Parental benefits include; 61% fewer arrests, 72% fewer convictions, 98% fewer days in jail, and 46% increase in father presence.

Placemaking

Sauk County has so much to offer, not only to its residents and the people who grew up here, but to the world. As the gateway to the Driftless region, Sauk County is unlike any other place, but it is difficult to gauge how many people recognize that. There is evidence that Sauk County needs to be more progressive in its approach to attract and retain people.

The Place Plan identifies strategies that will promote cooperation, collaboration, and the preservation and utilization of the County's assets as an opportunity to distinguish it as a unique place. It focuses on promoting a high quality-of-life, creating authentic experiences, and ultimately creating emotional connections to Sauk County. The idea is that these emotional ties will prompt people to choose Sauk County when they are considering where they want to live, work, and visit.



Criminal Justice Coordinating Council (CJCC)

The CJCC uses data-driven, evidence-based practices for decision-making; and examines and responds to the root cause of crime, in an effort to reduce crime, create a safer community, and provide effective treatment for individuals and families involved in the Sauk County Criminal Justice System. The Sauk County Adult Treatment Court was established to make a positive impact on the criminal justice system in an effort to break the cycle of substance use and reduce crime. Treatment Court provides the opportunity for individuals to change their life circumstances, and become alcohol, and drug free. Cognitive behavioral programming and enhanced mental health services are inherent pieces of the program.

The Facts on Drugs and Crime in America

Our nation's prison population has exploded beyond capacity.¹

- 1 in 100 U.S. citizens is now confined in jail or prison.
- The U.S. incarcerates more people per capita than 26 of the largest European nations combined.
- Incarceration rates in the U.S. are *nine times greater* for young African-American men between the ages of 20 and 34 years.

Most inmates are in prison, at least in large part, because of substance abuse.

- 80 percent of offenders abuse drugs or alcohol.²
- Nearly 50 percent of jail and prison inmates are clinically addicted.³
- Approximately 60 percent of individuals arrested for most types of crimes test positive for illicit drugs at arrest.⁴

Imprisonment has little effect on drug abuse.

- 60 to 80 percent of drug abusers commit a new crime (typically a drug-driven crime) after release from prison.⁵
- Approximately 95 percent return to drug abuse after release from prison.⁶

Providing treatment without holding offenders accountable for their performance in treatment is ineffective.

- Unless they are regularly supervised by a judge, 60 to 80 percent drop out of treatment prematurely and few successfully graduate.⁷

Long-Term Financial Planning “WHAT ABOUT THE FUTURE?”

Development of Strategic Issues – The County Board compiled, discussed and prioritized the top strategic issues facing the County for the following two years. 12 issues were developed, and the most important themes included affordable/available housing, placemaking to support economic development, sustainable livable communities through environmental stewardship and good wages, planning for declining state and federal financial support, and making for a healthy community. Opiate addiction issues were addressed through expansion of the Criminal Justice Coordinating Council and Nurse Family Partnership programs to serve individuals and families at risk. The use of green energy practices was also expanded. Development continued of placemaking, a regional initiative to align county-wide assets to showcase the County as a premier place to live, work and play.

University of Wisconsin-Platteville - Baraboo/Sauk County Campus – Sauk County and the City of Baraboo equally share ownership of UW-P - B/SC, and both entities are committed to supporting this local arm of the Wisconsin University system. The County continues to work with the University and the evolving master plan for the campus.

Capital Improvement Plan – The County’s ten-year Capital Improvement Plan shows a commitment to maintaining the County’s infrastructure. County road projects and communications systems all have funds planned for annual maintenance without the need for bonded indebtedness. In 2018, multiple building repairs and maintenance were completed, as was a new parks community and office building with an accessible path to White Mound Lake for \$900,000. Reconstruction of Courthouse entrances for accessibility and security are planned for 2020 at \$1,250,000. Renovation and expansion at UWP-B/SC is planned in the theater and arts centers for 2021 (\$1,100,000) and front entrance and administration relocation in 2028 (\$4,783,000).



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