



# POPULAR

## ANNUAL FINANCIAL REPORT

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For the Year Ended December 31, 2019

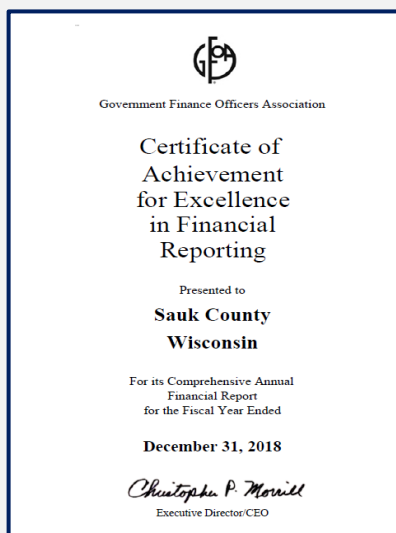
# Sauk County, Wisconsin

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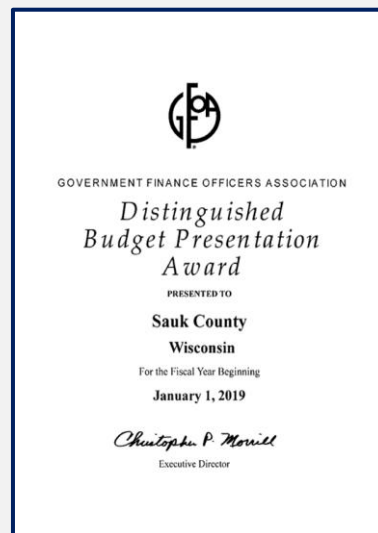


## Awards

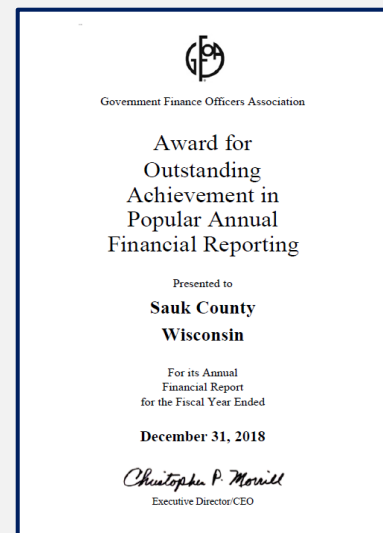


This was the seventh consecutive year that Sauk County has achieved this prestigious award. In order to receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

[www.co.sauk.wi.us](http://www.co.sauk.wi.us)



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



Sauk County received the GFOA's Award for the Popular Annual Financial Report for its 1<sup>st</sup> year. The award was established to encourage local governments to extract information from their comprehensive financial report that was to be readily accessible and easily understandable to the public and other interested parties without a background in public finance.

# 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 2019 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, 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>



# About Sauk County



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.

Sauk County went through a pioneering phase, which 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 grew and the number of farms producing dairy products and row crops became more predominant in agriculture.

Now, Sauk County is the primary home of the Midwest tourism magnet of the Wisconsin Dells and Lake Delton area. The County's tourist attractions are year-round destinations, with a variety of resort, restaurants, and entertainment options. It also boasts the most visited state



park in Wisconsin, Devils Lake State Park and home to Circus World Museum. Sauk County ranks third in terms of visitor spending throughout the state, generating \$1.1 billion. As such, the local economy has shown limited vulnerability to economic fluctuations.



# Economic and Demographic Factors



**63,281**  
population



**538,432** acres  
**830.9** square miles

**25<sup>th</sup>**

largest  
county in  
Wisconsin  
out of 72

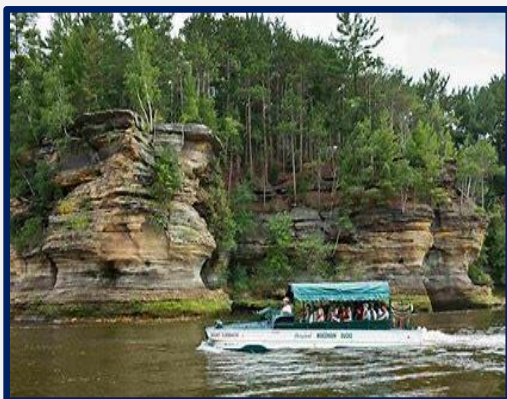


Devils Lake is the  
**Largest** state park  
in Wisconsin with  
**3 Million** visitors  
per year located in  
Sauk



**13** County  
**Parks** and  
**2** State  
**Parks**

The city of **Baraboo** is the  
**County Seat** with 19% of the  
county's population.



**Premier tourist** destination with **50,000**  
visitors daily in Lake Delton/Wisconsin Dells which makes up  
**21.9%** of equalized value for Sauk Co.

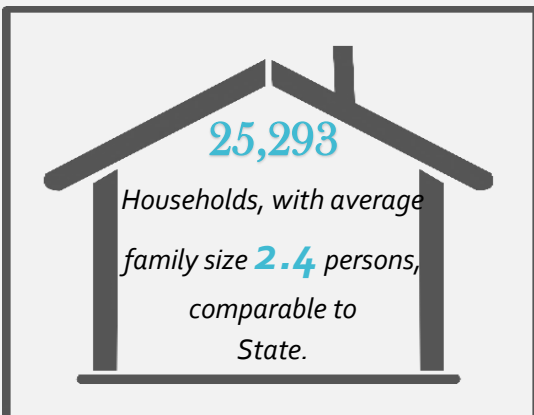




The median age of **SAUK COUNTY** residents is **41.2** years, slightly higher than the state's at 39.6.



Sauk County is served by **10** school districts, 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* main campus, which is near Sauk County.

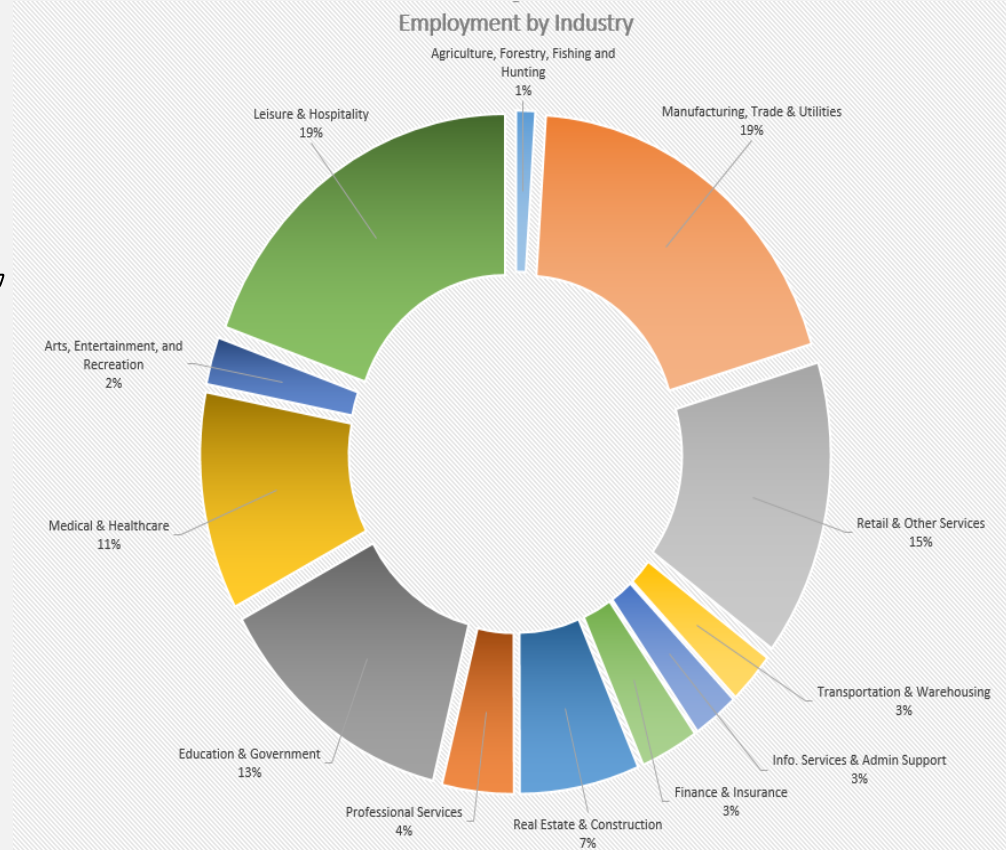


## MAJOR EMPLOYERS

Wilderness Lodge -  
Kalahari Development  
LLC - Cardinal Glass - Ho  
Chunk Nation - Mt.  
Olympus Enterprises &  
Resorts - Lands' End Inc -  
Sauk County -American  
Axle & MFG Inc –  
Reedsburg Area Medical  
Center – Baraboo School  
District

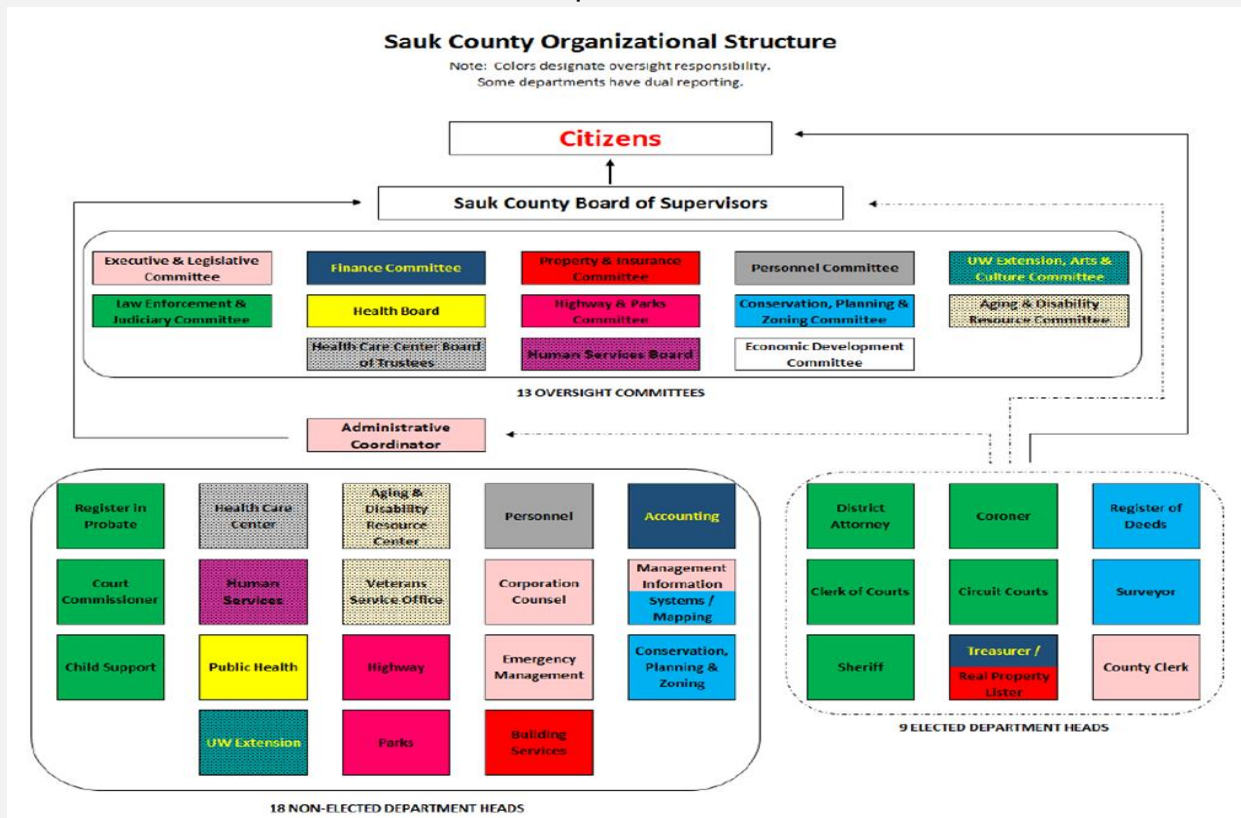
**2.9%**

unemployment rate  
compared to Wisconsin at  
3.3%

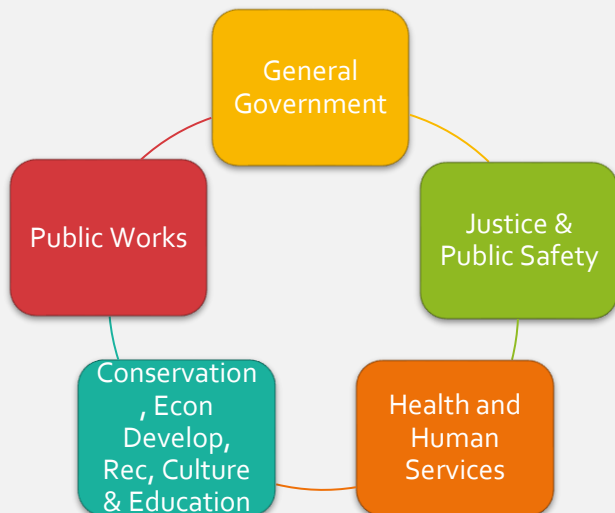


# Governmental Structure

Sauk County provides a range of governmental services, 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.

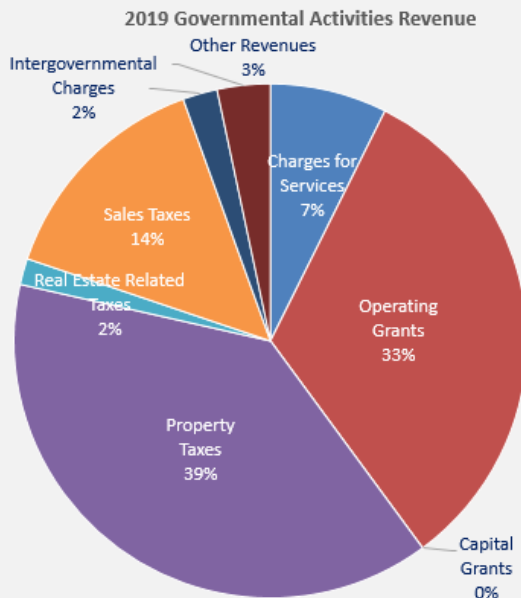


The services provided by the County are categorized into the following five functions.



- 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 includes a highway system and landfill.

# Revenue “DOLLARS IN”

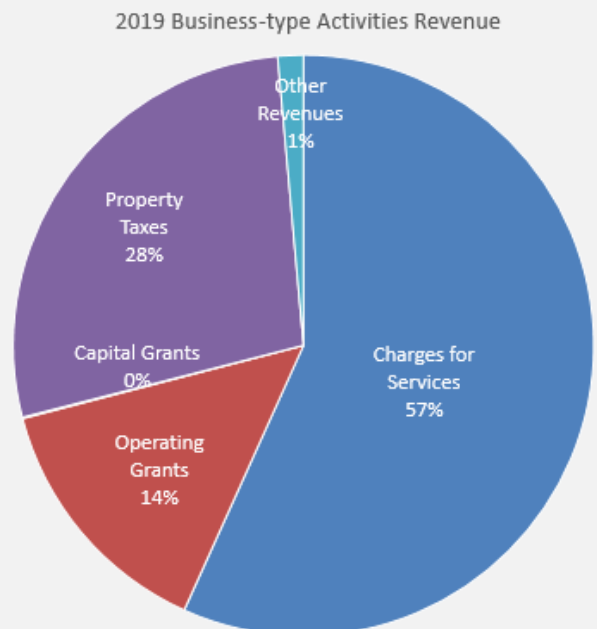


Governmental Activities Revenue	2017	2018	2019
Charges for Services	\$4,800,339	\$5,004,657	\$4,873,654
Operating Grants	18,271,210	19,914,279	21,515,850
Capital Grants	3,036,435	-	-
Property Taxes	23,910,492	24,630,422	25,554,535
Real Estate Related Taxes	917,000	923,026	1,085,974
Sales Taxes	9,173,059	9,383,592	9,460,803
Intergovernmental Charges	901,532	954,726	1,442,331
Other Revenues	1,319,298	2,225,195	2,210,116
Total Revenues	\$62,329,365	\$63,035,897	\$66,143,263

Sauk County’s governmental activities revenue comes from many different sources. In 2019, the county collected a total of \$66 million with the majority coming from property taxes 39% as well as operating grants 33%. The culture, education and recreation category decreased due to

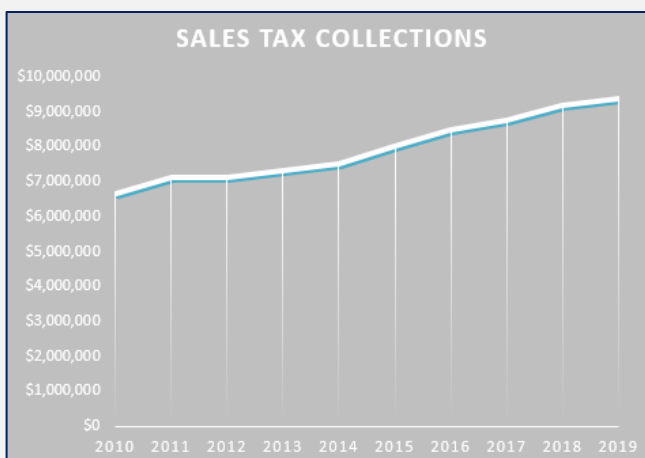
\$544,000 less of Great Sauk State Trail (GSST) construction cost participation from local municipalities, grants and sale of material revenues. Health and social services community living and support operating grants increased by \$1.7 million.

Business-type Activities Revenue	2017	2018	2019
Charges for Services	\$11,652,200	\$11,829,300	\$11,544,831
Operating Grants	2,063,874	2,827,645	2,888,303
Capital Grants	776,538	17,592	14,320
Property Taxes	6,441,172	6,338,596	5,607,821
Other Revenues	71,899	191,197	289,607
Total Revenues	\$21,005,683	\$21,204,330	\$20,344,882



Sauk County’s business-type revenue comes from the Highway Department and the Health Care Center. In 2019, the county collected a total of \$20

million with the majority coming from charges for services and property taxes. Highway revenues decreased by \$579,000 due to decreased construction on the GSST and the Health Care Center showed an increase of \$352,000 due to increased fees.



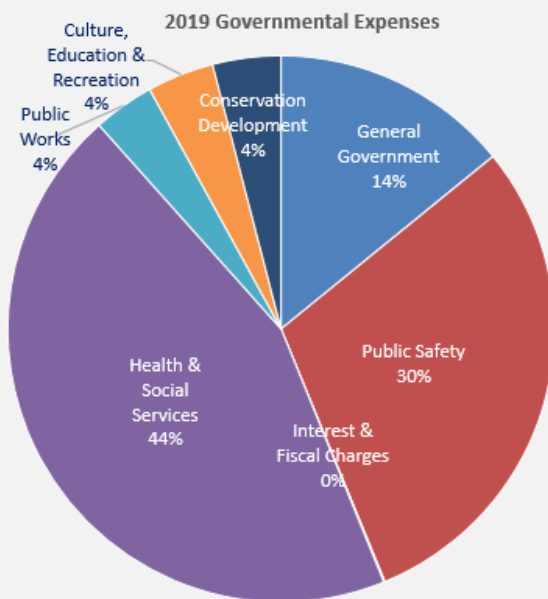
2019 saw the largest **Sales Tax** collections ever, at nearly **\$9.5** million.



# Expenses “DOLLARS OUT”

Governmental expenses were \$67 million, with a majority of the expense spent on Health & Social Services and Public Safety.

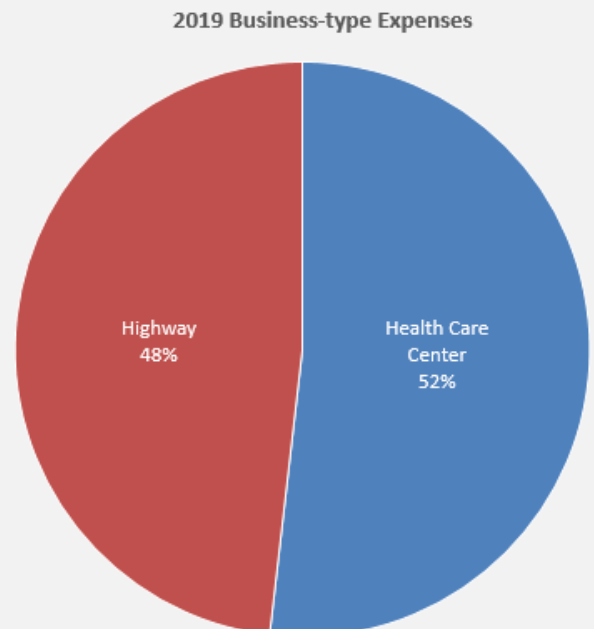
Governmental Expenses	2017	2018	2019
General Government	\$8,522,038	\$9,066,439	\$9,495,441
Public Safety	18,399,978	17,915,955	19,950,857
Interest & Fiscal Charges	85,087	81,938	47,363
Health & Social Services	24,194,741	27,084,870	29,936,740
Public Works	2,300,685	2,759,698	2,434,283
Culture, Education & Recreation	3,254,015	3,178,935	2,654,625
Conservation Development	1,937,937	1,771,527	2,711,120
Total Expenses	\$58,694,481	\$61,859,362	\$67,230,429



Expenses increased \$2.2 million largely due to the pension asset becoming a pension liability. Other increased expenses include health and social services for community living and support programs and operational costs in the functional areas of public safety and conservation and development. Public works expenses decreased \$325,000 with infrastructure depreciation, and culture, education and recreation decreased \$524,000 due to completed Parks building in 2018 and less construction work on the GSST in 2019.

Business-type Expenses	2017	2018	2019
Health Care Center	\$9,964,658	\$9,426,451	\$9,829,258
Highway	7,674,987	8,709,994	9,137,575
Total Expenses	\$17,639,645	\$18,136,445	\$18,966,833

Sauk County’s business-type expenses in total were almost \$19 million, with an increase of \$830,000 or 4.6%. Highway expenses increased \$428,000, and the Health Care Center increased \$403,000 due largely to the increased pension expense as the pension asset shifted to a liability.



# Net Position “GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES”

Sauk County Condensed Statements of Net Position (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$ 92.6	\$ 89.7	\$ 18.5	\$ 16.9	\$ 111.2	\$ 106.7
Capital assets, net of depreciation	99.3	99.2	21.0	20.5	120.3	119.7
Total Assets	191.9	188.9	39.5	37.4	231.4	226.4
Deferred outflows of resources	9.5	16.9	3.1	5.3	12.6	22.3
Current and other liabilities	5.8	6.7	1.4	0.7	7.2	7.4
Non-current liabilities	12.3	16.7	10.7	11.3	23.0	28.0
Total Liabilities	18.1	23.3	12.1	12.1	30.2	35.4
Deferred inflows of resources	35.8	34.7	8.5	8.6	44.3	43.4
Net Position:						
Net investment in capital assets	93.8	95.5	12.3	12.6	106.0	108.1
Restricted	16.5	10.2	1.5	-	18.0	10.2
Unrestricted	37.3	42.1	8.3	9.5	45.6	51.6
TOTAL NET POSITION	\$ 147.6	\$ 147.8	\$ 22.1	\$ 22.1	\$ 169.6	\$ 169.9

Sauk County’s Net Position as discussed in the Management’s Discussion and Analysis section of the Comprehensive Annual Financial Report, provides insight into the County’s financial position as of December 31, 2019.

*Total net position* is the difference

between *Total Assets* (what we own), including Deferred Outflows, and *Total Liabilities* (what we owe), including Deferred inflows. It should be noted that the financial position can also be affected by non-financial factors, including economic conditions, population growth and new regulations.

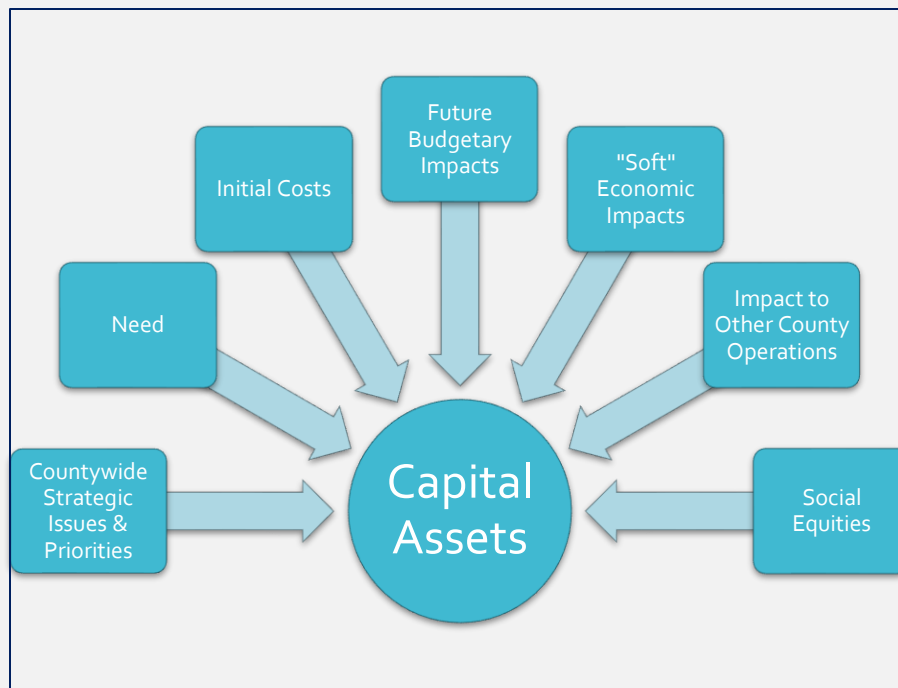
## Governmental Activities

- Assets decreased, largely due to \$5.1 million decrease in pension assets and an increase of \$1.7 million cash and investments.
- Deferred outflows increased \$9.7 million due to pension amounts.
- Liabilities increased \$5.3 million, which included an increased in pension liability of \$6.3 million and a debt payment of \$1.8 million.
- Deferred inflows decreased \$6.3 million due mostly to pension and other post-employment related expenses.
- Total net position increased \$222,000.
- Net investment in capital assets increased \$1.7 million from infrastructure additions and the debt payment of \$1.8 million.
- Restricted funds decreased \$6.3 million from the pension asset becoming a liability.
- Unrestricted funds increased \$4.8 million from budget variances offset by pension activity.

## Business-type Activities

- Assets decreased by \$2.0 million, largely in capital assets \$464,000 and pension assets \$1.5 million.
- Deferred outflows increased \$2.2 million due to pension related amounts.
- Liabilities and deferred inflows remained unchanged due to a combination of increased liabilities of \$605,000 due to pension, and decreased accounts payable \$429,000 and accrued liabilities \$189,000.
- Net position remained unchanged related to decreased pension of \$1.5 million, offset by an increase in capital assets of \$368,000 and unrestricted funds of \$1.2 million.

# Capital Assets “WHAT DO WE OWN?”



Sauk County’s investment in capital assets for governmental activities as of December 31, 2019 amounted \$99.2 million (net of depreciation), a net decrease of \$121,000. Investments in capital assets include buildings, machinery and equipment. Routine reconstructed roadways, infrastructure and equipment replacement were less than planned depreciation.

	Governmental Activities		Business-type Activities	
	2018	2019	2018	2019
Land	\$ 4,801,625	4,801,625	\$ 614,557	614,557
Purchased development rights	6,778,466	6,778,466	-	-
Construction in progress	562,226	610,826	263,210	324,864
Intangibles	392,837	362,913	206,745	192,885
Land improvements	938,233	908,950	278,998	261,545
Buildings	37,782,024	37,297,287	13,151,419	12,687,301
Building improvements	4,183,839	3,968,172	-	-
Machinery, equipment, and vehicles	4,089,323	4,405,606	6,415,780	6,388,511
Infrastructure	39,762,862	40,036,717	45,649	42,766
Totals	<u>\$ 99,291,434</u>	<u>\$ 99,170,562</u>	<u>\$ 20,976,358</u>	<u>20,512,429</u>

The County’s investment in business-type activities capital assets as of December 31, 2019 was \$20.5 million (net of depreciation), a net decrease of \$464,000. Changes consisted primarily of routine highway equipment replacement and depreciation.

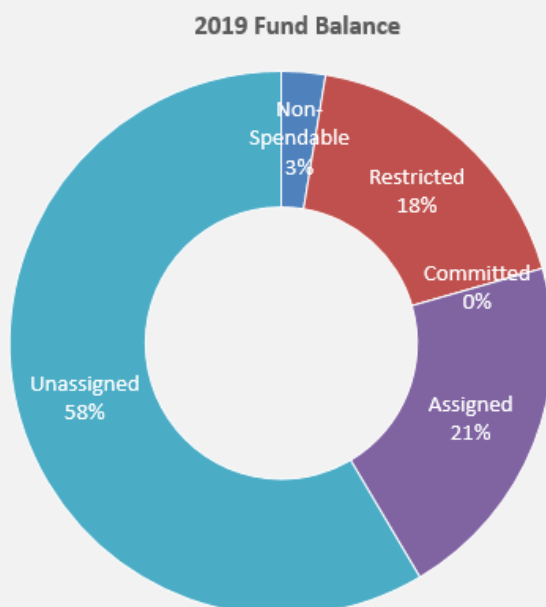


# Fund Balance

The County's fund balance consists of revenues that were not spent in previous years. Fund Balance is divided into five categories: non-spendable, restricted, committed, assigned, or unassigned. These classifications tell how much of the fund balance must be reserved for a specific use as required by the funding source, the Board, management, or the law.

<b>Governmental Funds</b>			
<b>Fund Balances</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Non-Spendable	1,510,735	1,654,946	1,421,805
Restricted	11,368,087	10,129,419	9,768,069
Committed	\$0	\$0	\$0
Assigned	8,294,430	7,646,710	11,375,677
Unassigned	31,147,046	33,992,256	31,834,457
<b>Total Expenses</b>	<b>\$52,320,298</b>	<b>\$53,423,331</b>	<b>\$54,400,008</b>

At the end of the current fiscal year, unassigned fund balance of the general fund was \$31.8 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. Approximately 58% of the fund balance constitutes unassigned fund balance, which is available to spend at the government's discretion.



**Fund balance of Sauk County's general fund increased by \$977,000 during the current fiscal year.**

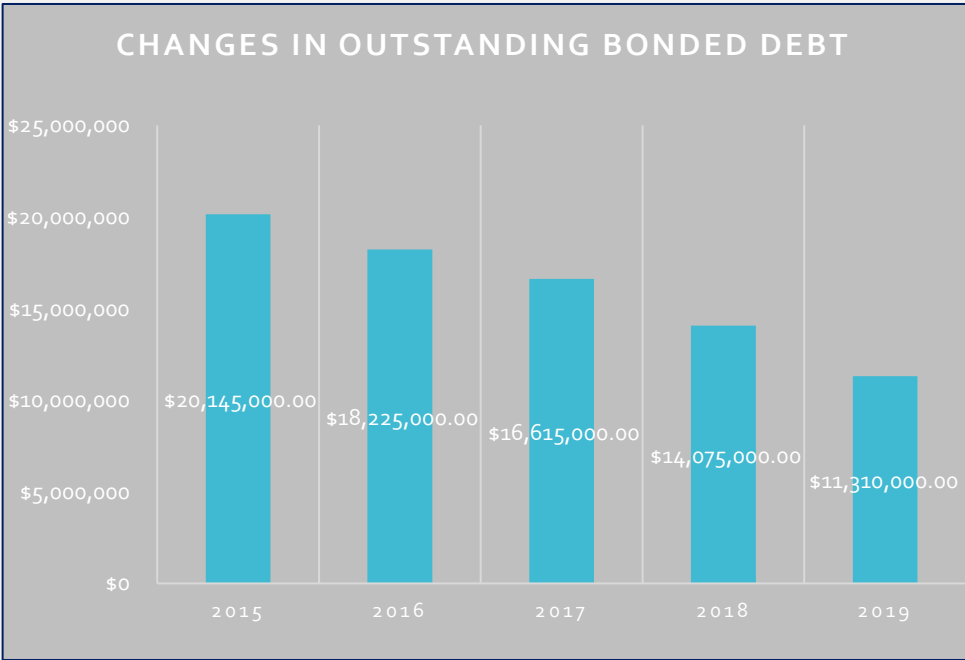
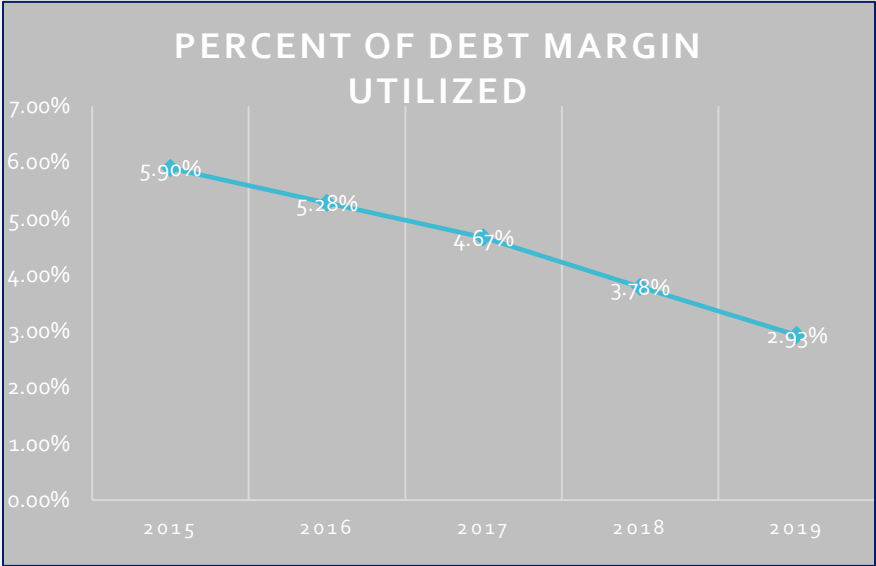
Key factors in this growth are:

- *Increase: Transfer of excess funds from Human Services exceeded budget by \$1 million.*
- *Increase: Sales tax collections exceeded budget by \$685,000.*
- *Decrease: Use of fund balance for capital items: Courthouse roof, \$120,000; Communication Infrastructure, \$266,000; Space Needs Study/ Security, \$58,000; Court room video upgrades, \$69,000; County Board voting System, \$82,000; Facility and equipment repairs, \$127,000.*

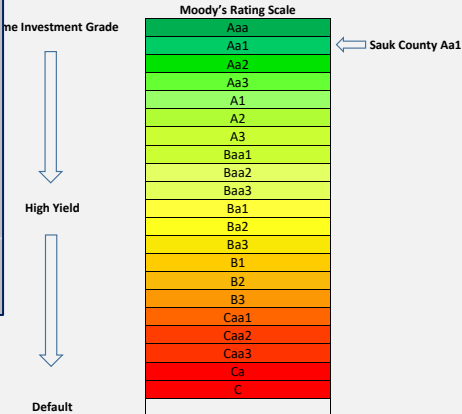
# Long-Term Debt “WHAT DO WE OWE?”

Sauk County’s total general obligation debt at year-end was \$11.3 million, well within the limit of \$385.8 million. Construction of a law enforcement facility containing Sheriff, Coroner offices and the jail accounts for \$3.6 million. The remaining \$7.7 million was issued as financing for construction of a replacement skilled nursing facility.

Wisconsin Statutes limit the total indebtedness of the County to 5% of equalized value, which is **\$385.8** million, the County is far below this limit

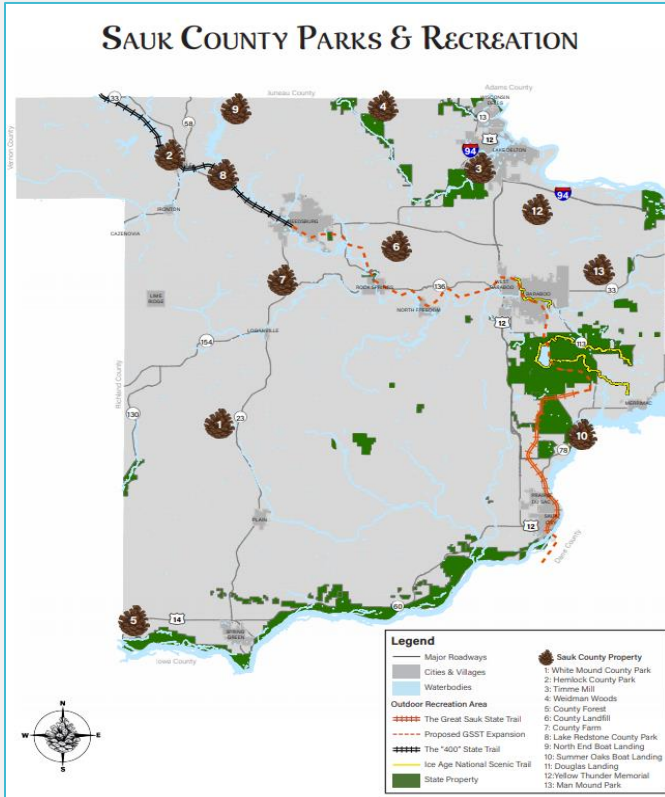


Sauk County’s general obligation bond rating by Moody’s Investor Services, Inc. remains at **Aa1**.



# Major Initiatives

## Sauk County Comprehensive Outdoor Recreation Plan



*"To connect people to the rich natural, cultural and historical resources of Sauk County, and create outstanding outdoor recreational opportunities now and in the future."*

*Priority 1: Further Development of the County Park System*

*Priority 2: Resource Management and Stewardship*

*Priority 3: Partnerships*

*Priority 4: Economic Development and Tourism.*

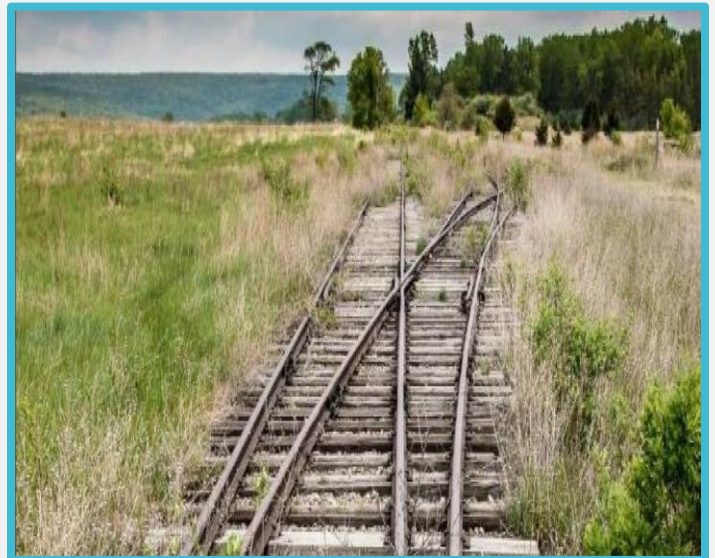
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**Great Sauk State Trail's (GSST)** purpose is an 11.8 mile paved trail that links the Sauk County Communities of Prairie du Sac and Sauk City with the Sauk Prairie Recreation Area.

The current trail stretches from the Wisconsin River through lands formerly known as Badger Army Ammunition Plant, and near the southern border of Devil's Lake State Park, one of the premier state parks in Wisconsin.

The final vision for the GSST will be a seamless connection through Sauk County that will

connect the 400 State Trail in Reedsburg to the proposed Walking Iron Train in Dane County. Sauk County has formed a partnership with the Wisconsin Department of Natural Resources to route the trail through Devil's Lake State Park.







Sauk County Accounting  
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