

POPULAR

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020

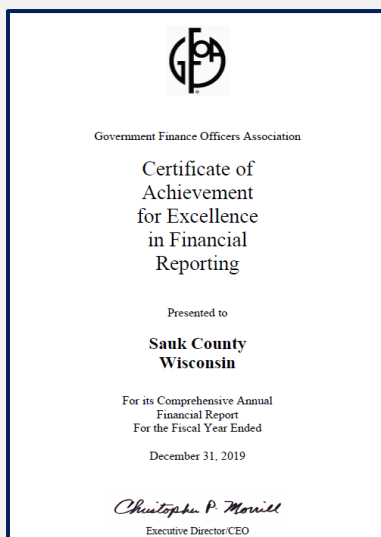
Sauk County, Wisconsin

Table of Contents

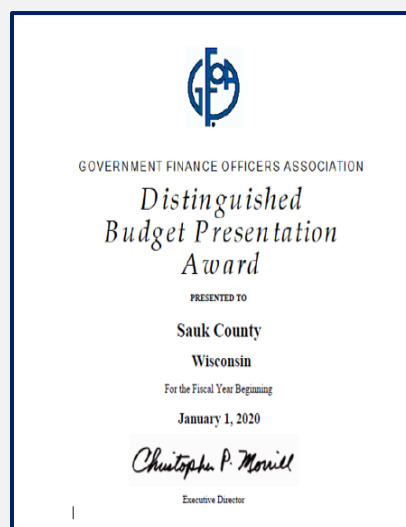
2	TABLE OF CONTENTS/AWARDS
3	PURPOSE OF REPORT
4	ABOUT SAUK COUNTY
5	ECONOMIC AND DEMOGRAPHIC FACTORS
7	GOVERNMENT STRUCTURE
8	REVENUE: DOLLARS IN
9	EXPENSES: DOLLARS OUT
10	NET POSITION
11	CAPITAL ASSETS: WHAT WE OWN
12	FUND BALANCE
13	LONG-TERM DEBT: HOW MUCH DO WE OWE?
14	MAJOR INITIATIVES



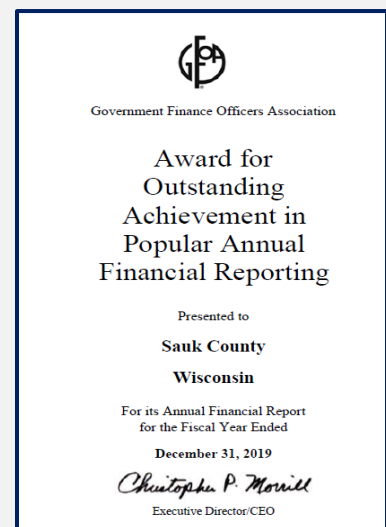
Awards



This was the eighth 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.



The County has also received the GFOA's Award for Distinguished Budget Presentation for each of the past seventeen 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 2nd 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 2020 Comprehensive Annual Financial Report (Annual Report), with selected information from Annual Reports prepared for earlier years.

The Annual Report 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 Annual Report 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 Annual Report 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 Annual Report, 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 resorts, 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



63,343
population



538,432 acres
830.9 square miles

24th

largest
county in
Wisconsin
out of 72

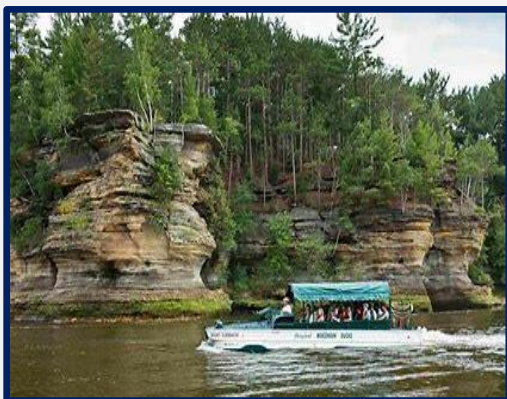


Devils Lake located
in Sauk County is the
Largest state park
in Wisconsin with
3 Million visitors
per year



13 County
Parks and
2 State
Parks

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



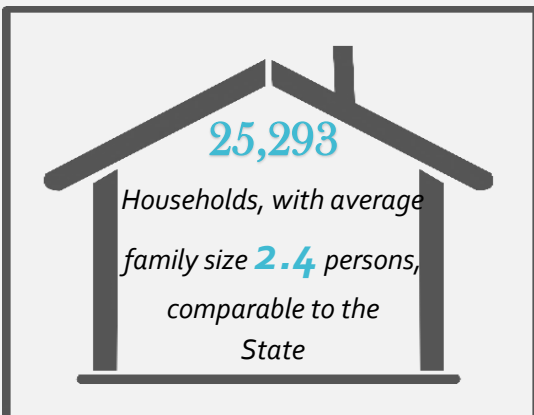
Premier tourist destination with **50,000**
visitors daily in Lake Delton/Wisconsin Dells which makes up
21.9% of equalized value for Sauk County



The median age of **SAUK COUNTY** residents is **41.1** years, slightly higher than the state's at 39.5



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

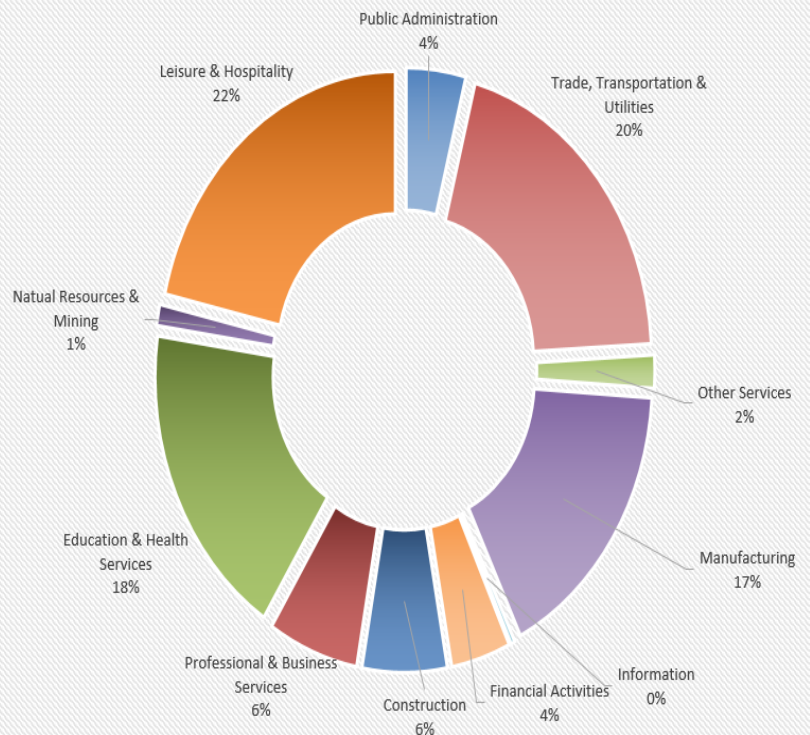
Kalahari Development
LLC - Cardinal Glass -
Wilderness Lodge - Ho
Chunk Nation - Mt.
Olympus Enterprises &
Resorts - Lands' End Inc -
Sauk County -American
Axle & MFG Inc –
Reedsburg Area Medical
Center – Baraboo School
District

7.5%

unemployment rate
compared to Wisconsin at
6.3%

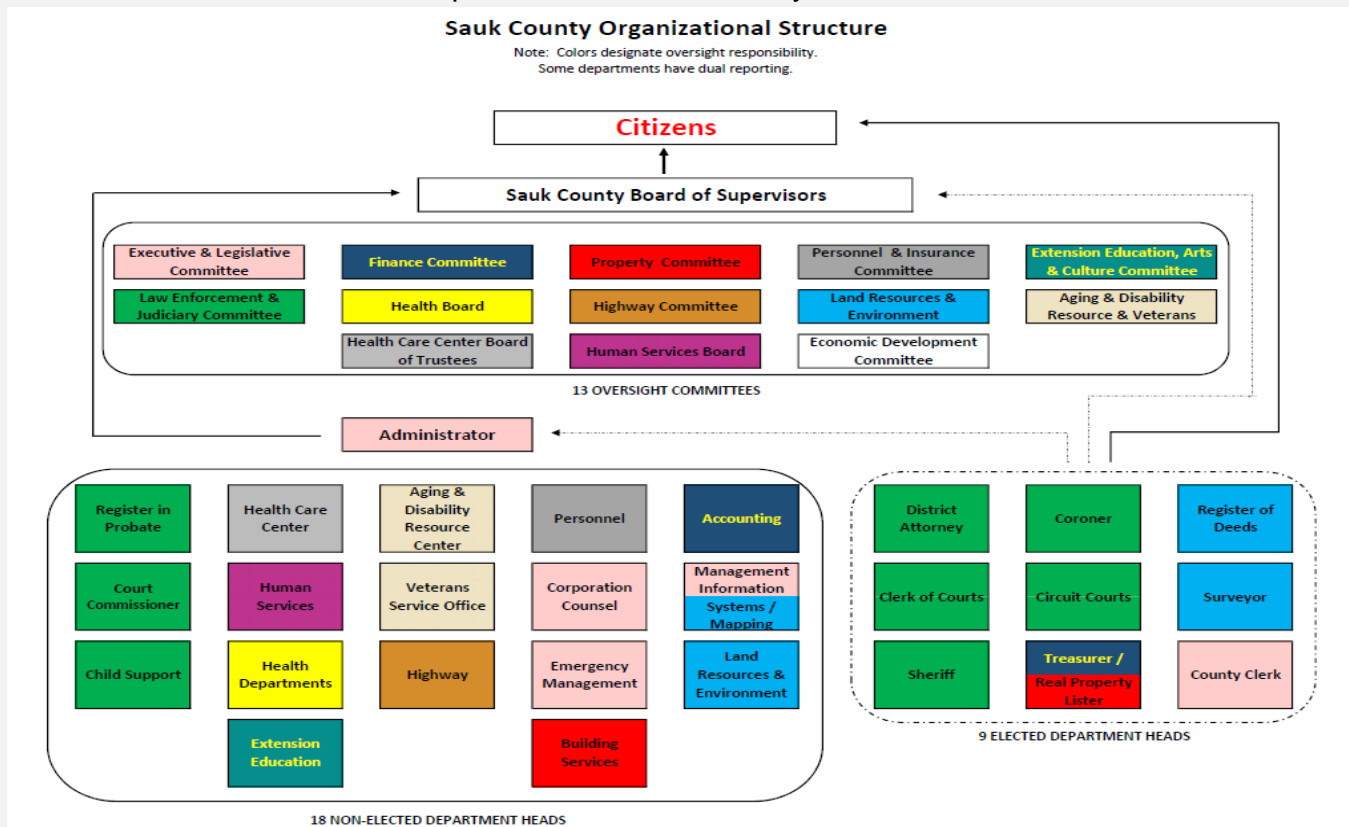


Employment by Industry

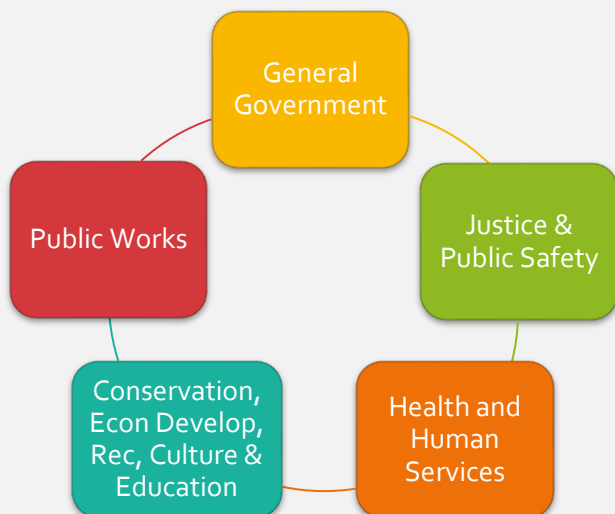


Governmental Structure

Sauk County provides a range of governmental services, under the direction of an Administrator 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 County Board sessions.

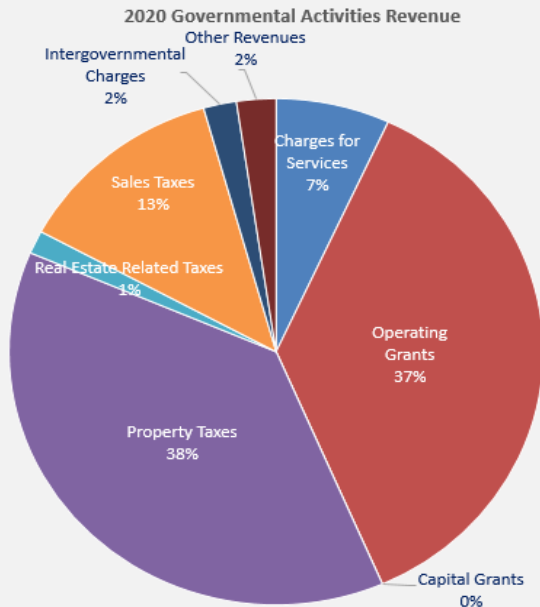


The services provided by the County are categorized into the following five functions.



- General government function includes the administrator, 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”

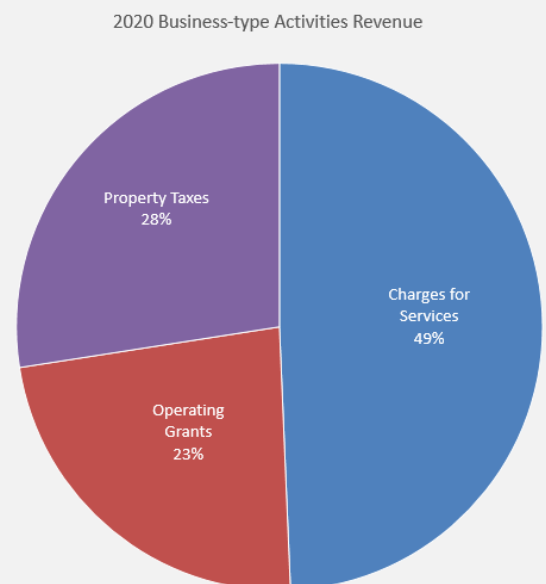


Governmental Activities Revenue	2018	2019	2020
Charges for Services	\$5,004,657	\$4,873,654	\$4,805,269
Operating Grants	19,914,279	21,515,850	25,508,919
Capital Grants	-	-	-
Property Taxes	24,630,422	25,554,535	26,418,947
Real Estate Related Taxes	923,026	1,085,974	1,029,389
Sales Taxes	9,383,592	9,460,803	8,891,032
Intergovernmental Charges	954,726	1,442,331	1,391,822
Other Revenues	2,225,195	2,210,122	1,660,667
Total Revenues	\$63,035,897	\$66,143,269	\$69,706,045

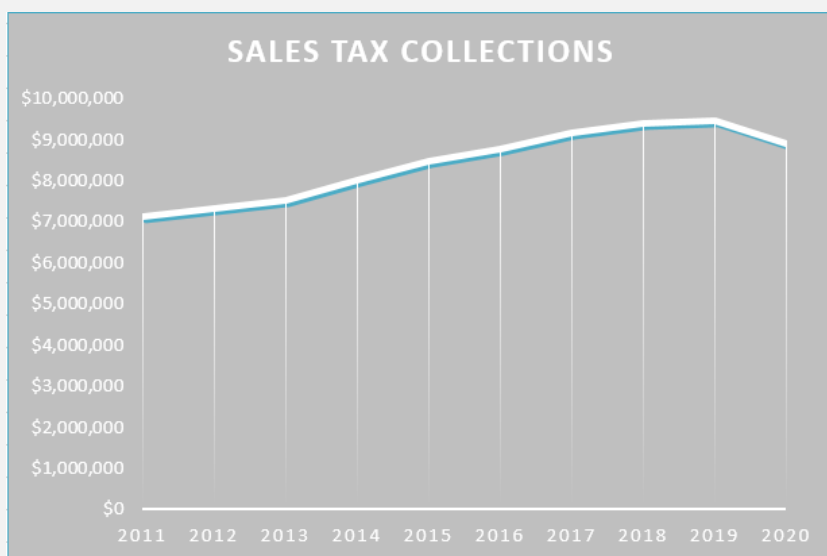
Sauk County’s governmental activities revenue comes from many different sources. In 2020, the County collected a total of \$69.7 million with the majority coming from property taxes (38%) and operating grants (37%). COVID-19 Federal and state funds totaled \$2.2 million, largely in the health and social services area. Health and social services community living and support operating grants increased by \$1.3 million.

Business-type Activities Revenue	2018	2019	2020
Charges for Services	\$11,829,300	\$11,544,831	\$9,540,346
Operating Grants	2,827,645	2,888,303	4,487,262
Capital Grants	17,592	14,320	7,627
Property Taxes	6,338,596	5,607,821	5,311,930
Other Revenues	191,197	289,607	62,694
Total Revenues	\$21,204,330	\$20,344,882	\$19,409,859

Sauk County’s business-type revenue comes from the Highway Department and the Health Care Center. In 2020, the county collected a total of \$19.4 million with the majority coming from charges for services and property taxes.



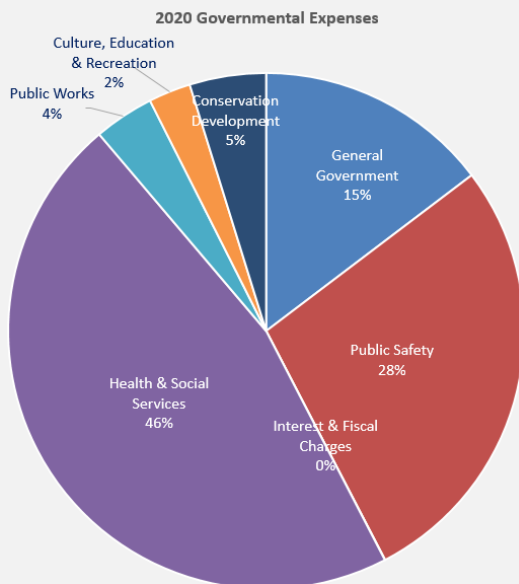
Highway revenues increased moderately at \$189,000, and the Health Care Center showed a decrease of \$602,000 with limited admissions due to COVID-19.



Sales Tax dropped in **2020** by **\$570,000** due to COVID-19.

Expenses “DOLLARS OUT”

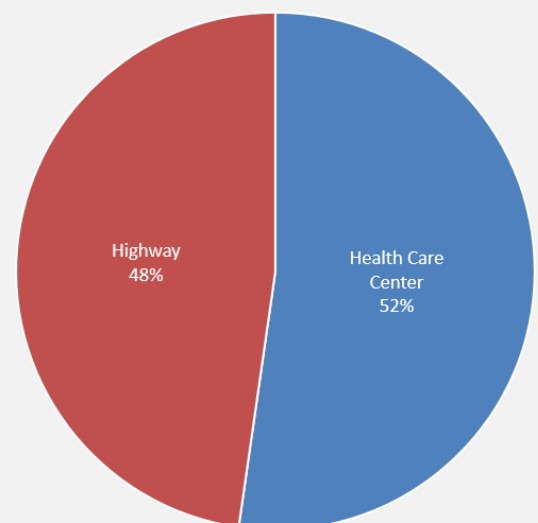
Governmental Expenses	2018	2019	2020
General Government	\$9,066,439	\$9,495,441	\$10,069,359
Public Safety	17,915,955	19,950,857	19,000,609
Interest & Fiscal Charges	81,938	47,363	12,087
Health & Social Services	27,084,870	29,936,740	31,840,028
Public Works	2,759,698	2,434,283	2,586,258
Culture, Education & Recreation	3,178,935	2,654,625	1,814,877
Conservation Development	1,771,527	2,711,120	3,286,189
Total Expenses	\$61,859,362	\$67,230,429	\$68,609,407



Governmental activities expenses increased \$1.4 million, or 2.0%, to \$68.6 million, due largely to additional expenses of \$2.2 million for COVID-19 response. Public safety expenses decreased \$950,000 due to fewer calls for service of the Sheriff’s Department due to less activity in the public as people heeded quarantine orders.

Business-type Expenses	2018	2019	2020
Health Care Center	\$9,426,451	\$9,829,258	\$8,723,609
Highway	8,709,994	9,137,575	7,967,334
Total Expenses	\$18,136,445	\$18,966,833	\$16,690,943

2020 Business-type Expenses



Sauk County’s business-type expenses in total were almost \$17 million, with a decrease of \$2.3 million or 14%. Highway expenses decreased \$1.2 million with decreased costs due to COVID-19 limiting highway projects, and Health Care Center expenses decreased \$1.1 million due to limited admissions and related staff reductions.

Net Position “GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES”

Sauk County Condensed Statements of Net Position (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 89.7	\$ 96.9	\$ 16.9	\$ 18.7	\$ 106.7	\$ 115.6
Capital assets, net of depreciation	99.2	99.3	20.5	20.6	119.7	119.8
Total Assets	188.9	196.2	37.4	39.3	226.4	235.4
Deferred outflows of resources	16.9	14.4	5.3	4.3	22.3	18.7
Current and other liabilities	6.7	6.2	0.7	0.9	7.4	7.1
Non-current liabilities	16.7	9.4	11.3	9.0	28.0	18.3
Total Liabilities	23.3	15.6	12.1	9.8	35.4	25.5
Deferred inflows of resources	34.7	44.3	8.6	10.6	43.4	55.0
Net Position:						
Net investment in capital assets	95.5	97.4	12.6	13.6	108.1	111.0
Restricted	10.2	16.5	-	1.5	10.2	18.0
Unrestricted	42.1	36.8	9.5	8.0	51.6	44.8
TOTAL NET POSITION	\$ 147.8	\$ 150.6	\$ 22.1	\$ 23.1	\$ 169.9	\$ 173.7

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, 2020.

Total net position is the difference between *Total Assets* (what we own), including Deferred Outflows, and *Total Liabilities* (what we owe), including Deferred Inflows. Deferred inflows and outflows are applicable to future reporting periods. 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

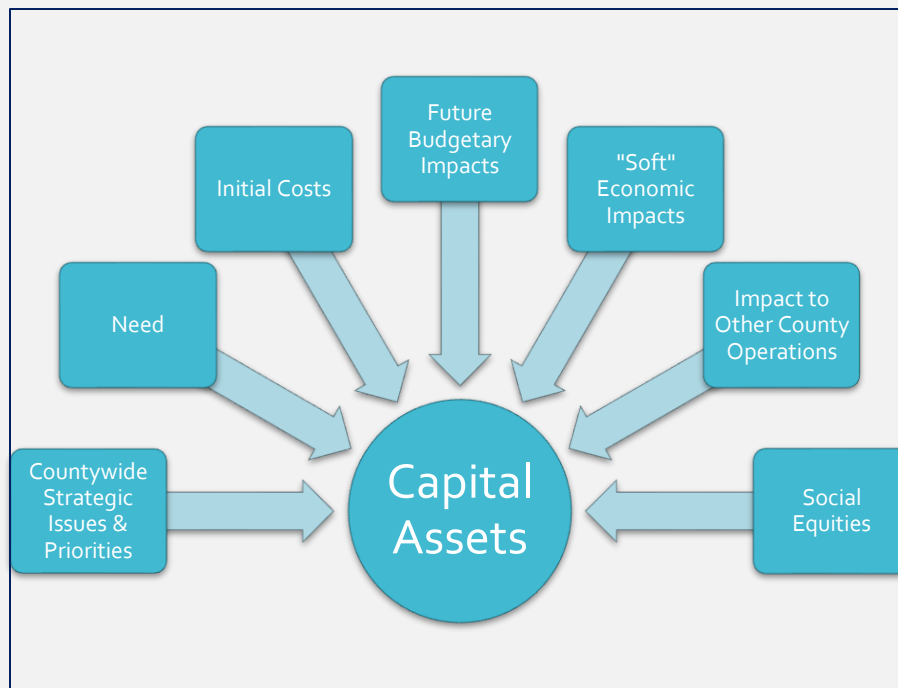
- Assets increased \$7.2 million, largely due to \$5.9 million increase in pension assets and an increase of \$0.9 million cash and investments.
- Deferred outflows decreased \$2.5 million due to pension amounts.
- Liabilities increased \$7.7 million, which included a decrease in pension liability of \$6.3 million and a debt payment of \$1.8 million.
- Deferred inflows increased \$9.6 million due mostly to pension and other post-employment related expenses.
- Total net position increased \$2.8 million.
- Net investment in capital assets increased \$1.9 million from infrastructure additions and the debt payment of \$1.8 million.
- Restricted funds increased \$6.3 million from the pension liability becoming an asset.

- Unrestricted funds decreased \$5.3 million from budget variances offset by pension activity.

Business-type Activities

- Assets increased by \$1.8 million, of which \$1.5 million is the pension liability swinging to an asset.
- Deferred outflows decreased \$1.0 million due to pension related amounts.
- Liabilities decreased \$2.2 million (\$1.7 million relates to pension), and deferred inflows increased \$2.0 million, also all related to pension amounts.
- Net position increased by \$970,000. \$1.5 million became restricted for pension asset, and invested in capital assets increased by \$944,000 including debt payment of \$900,000.

Capital Assets “WHAT DO WE OWN?”



Sauk County’s investment in capital assets for governmental activities as of December 31, 2020 amounted to \$99.3 million (net of depreciation), a net decrease of \$100,000.

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	
	2019	2020	2019	2019
Land	\$ 4,801,625	\$ 4,944,818	\$ 614,557	\$ 614,557
Purchased development rights	6,778,466	6,778,466	-	-
Construction in progress	610,826	531,852	324,864	319,952
Intangibles	362,913	719,864	192,885	179,025
Land improvements	908,950	862,704	261,545	244,092
Buildings	37,297,287	36,887,906	12,687,301	12,228,214
Building improvements	3,968,172	3,782,518	-	-
Machinery, equipment, and vehicles	4,405,606	4,940,658	6,388,511	6,951,831
Infrastructure	40,036,717	39,821,318	42,766	39,883
Totals	\$ 99,170,562	\$ 99,270,104	\$ 20,512,429	\$ 20,577,554

The County’s investment in business-type activities capital assets as of December 31, 2020 was \$20.6 million (net of depreciation), a net increase of \$65,000. 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 County Board, management, or the law.

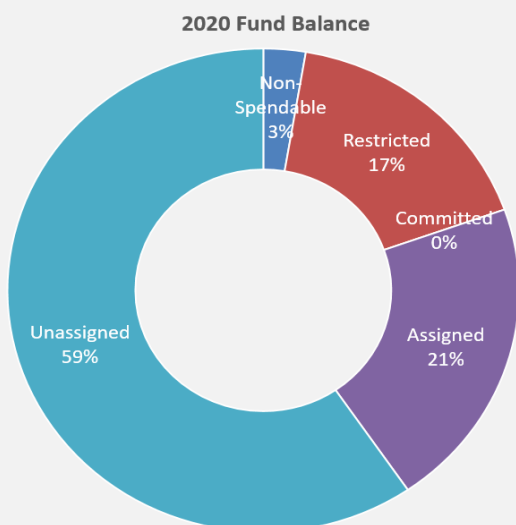
Governmental Funds			
Fund Balances	2018	2019	2020
Non-Spendable	1,654,946	1,421,805	1,483,084
Restricted	10,129,419	9,768,069	9,429,021
Committed	\$0	\$0	\$0
Assigned	7,646,710	11,375,677	11,630,857
Unassigned	33,992,256	31,834,457	33,185,613
Total Expenses	\$53,423,331	\$54,400,008	\$55,728,575

At the end of the current fiscal year, unassigned fund balance of the general fund was \$33.2 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 59% 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 \$1.9 million during the current fiscal year.

Key factors in this growth that exceeded budget are:

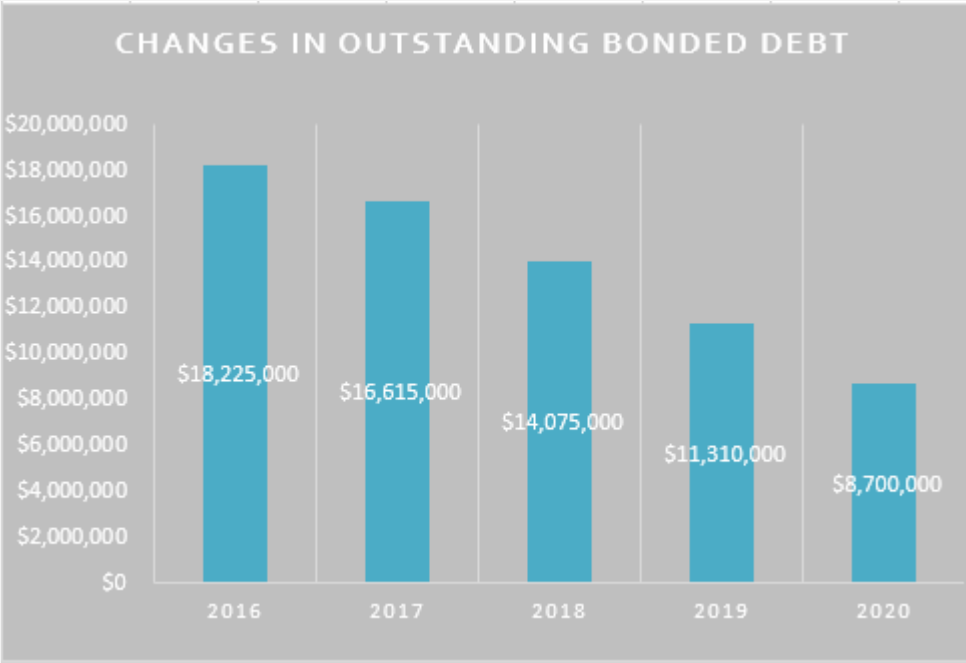
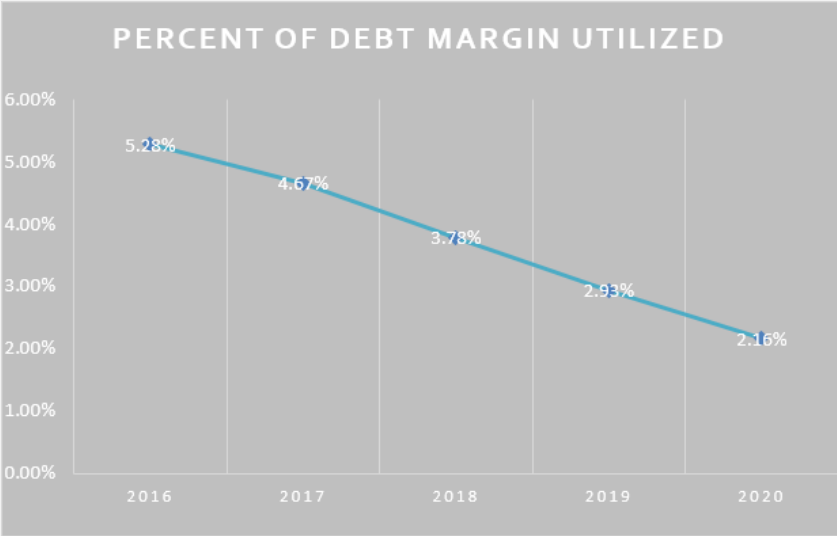
- The COVID-19 pandemic diverted priorities to response to COVID-19 and maintenance of operations with many staff working remotely. This disruption delayed nearly all of the County's planned projects. Unfinished projects and grant programs in progress carried forward to 2021 totaled unspent funds of \$9.5 million.
- Transfer of excess funds from Human Services \$950,000.
- Lease/rent of fiber optics, communications and county buildings \$296,000.
- Interest earned on invested funds \$195,000.
- Gain on sale of tax deeded properties \$194,000.
- Interest and penalty on delinquent tax collections \$168,000.
- Board of prisoners from other jurisdictions \$120,000.
- Real estate transfer tax collected \$97,000.



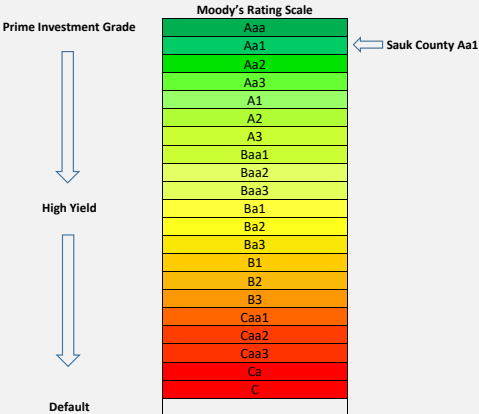
Long-Term Debt “WHAT DO WE OWE?”

Sauk County’s total general obligation debt at year-end was \$8.7 million, well within the limit of \$402 million. Construction of a law enforcement facility containing Sheriff, Coroner offices and the jail accounts for \$1.8 million. The remaining \$6.9 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 \$402 million, the County is far below this limit for 2020 at \$8.7 million.

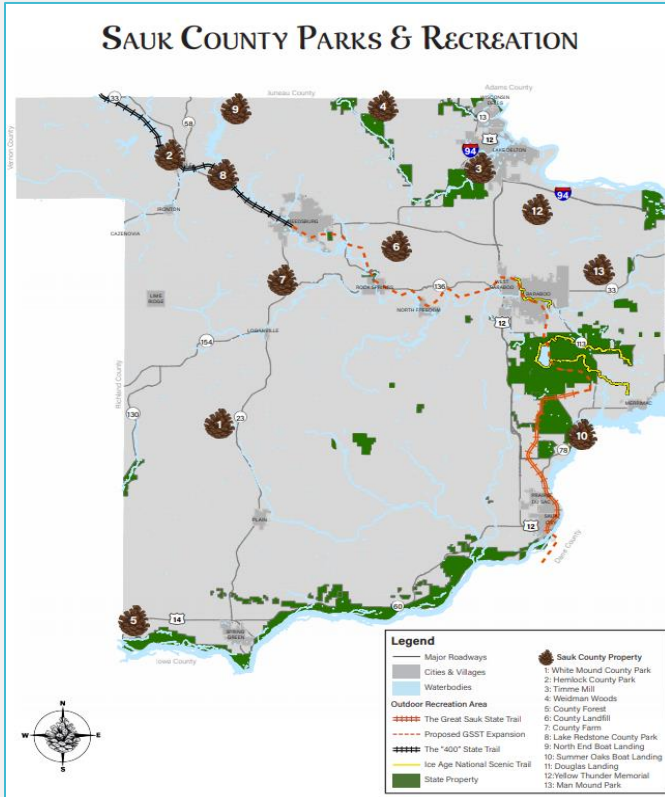


Sauk County’s general obligation bond rating by Moody’s Investor Services, Inc. remains at Aa1. Moody’s ratings are designed to provide a relative measure of risk.



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.

https://www.co.sauk.wi.us/sites/default/files/fileattachments/parks_and_recreation/page/2902/scorp_2020-2024.pdf

<https://www.co.sauk.wi.us/parksandrecreation/great-sauk-state-trail>

The **Great Sauk State Trail (GSST)** 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 Trail 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.



To better serve our citizens in a safe manner Sauk County is in the process of creating plans and specifications for a new Highway & Transportation Facility. The tentative schedule is to distribute plans and specifications in the fall of 2021 and construction to begin in the spring of 2022. The new facility will be sited on a County-owned parcel located at 620 Linn Street in West Baraboo.





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