

# POPULAR

## ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021

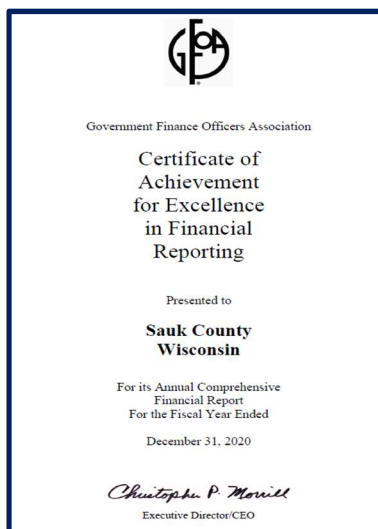
# Sauk County, Wisconsin

# Table of Contents

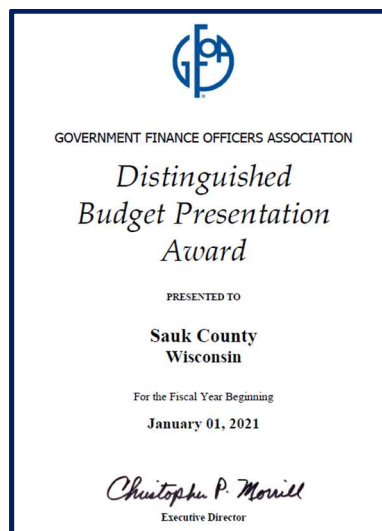
2	TABLE OF CONTENTS/AWARDS
3	PURPOSE OF REPORT
4	ABOUT SAUK COUNTY
5	ECONOMIC AND DEMOGRAPHIC FACTORS
7	GOVERNMENT STRUCTURE
8	REVENUE: DOLLARS IN
9	EXPENSES: DOLLARS OUT
10	NET POSITION
11	CAPITAL ASSETS: WHAT WE OWN
12	FUND BALANCE
13	LONG-TERM DEBT: HOW MUCH DO WE OWE?
14	MAJOR INITIATIVES



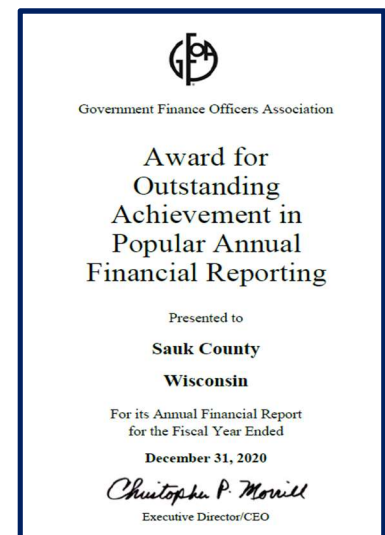
## Awards



This was the ninth 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 annual comprehensive 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 eighteen 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 3<sup>rd</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 2021 Annual Comprehensive 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

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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



**64,272**  
population

**24<sup>th</sup>**

largest  
county in  
Wisconsin  
out of 72



## Demographic Factors



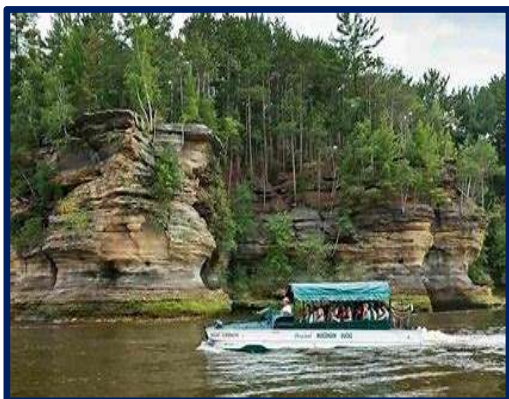
**538,432** acres  
**830.9** square miles

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%** of equalized value for Sauk County

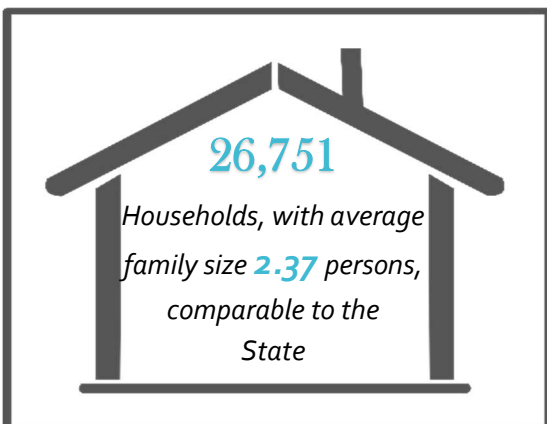




The median age of **SAUK COUNTY** residents is **41** years, slightly higher than the state's at 39.1



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

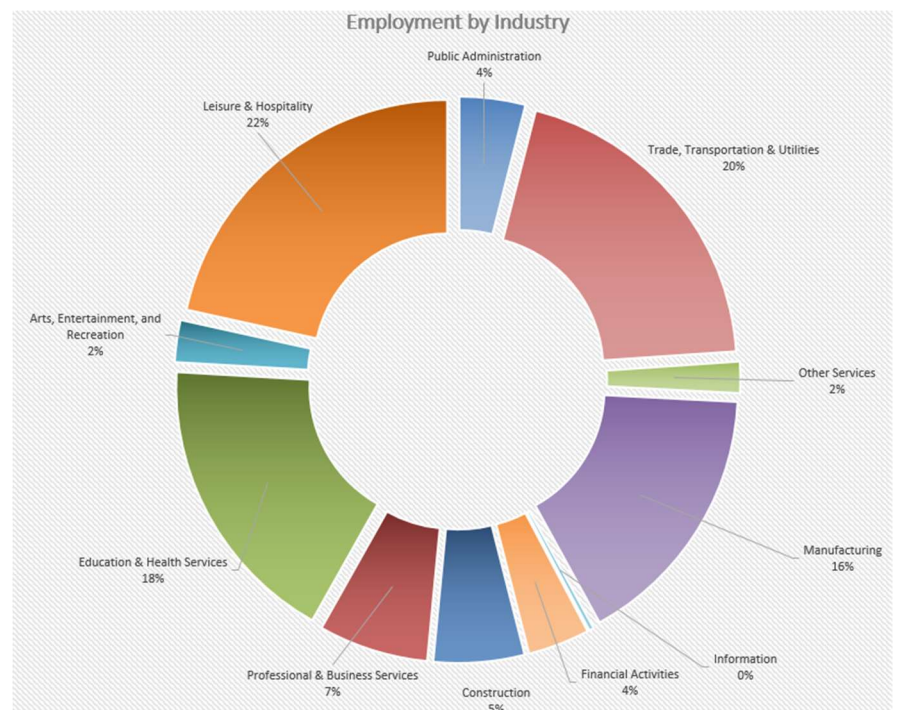


## MAJOR EMPLOYERS

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

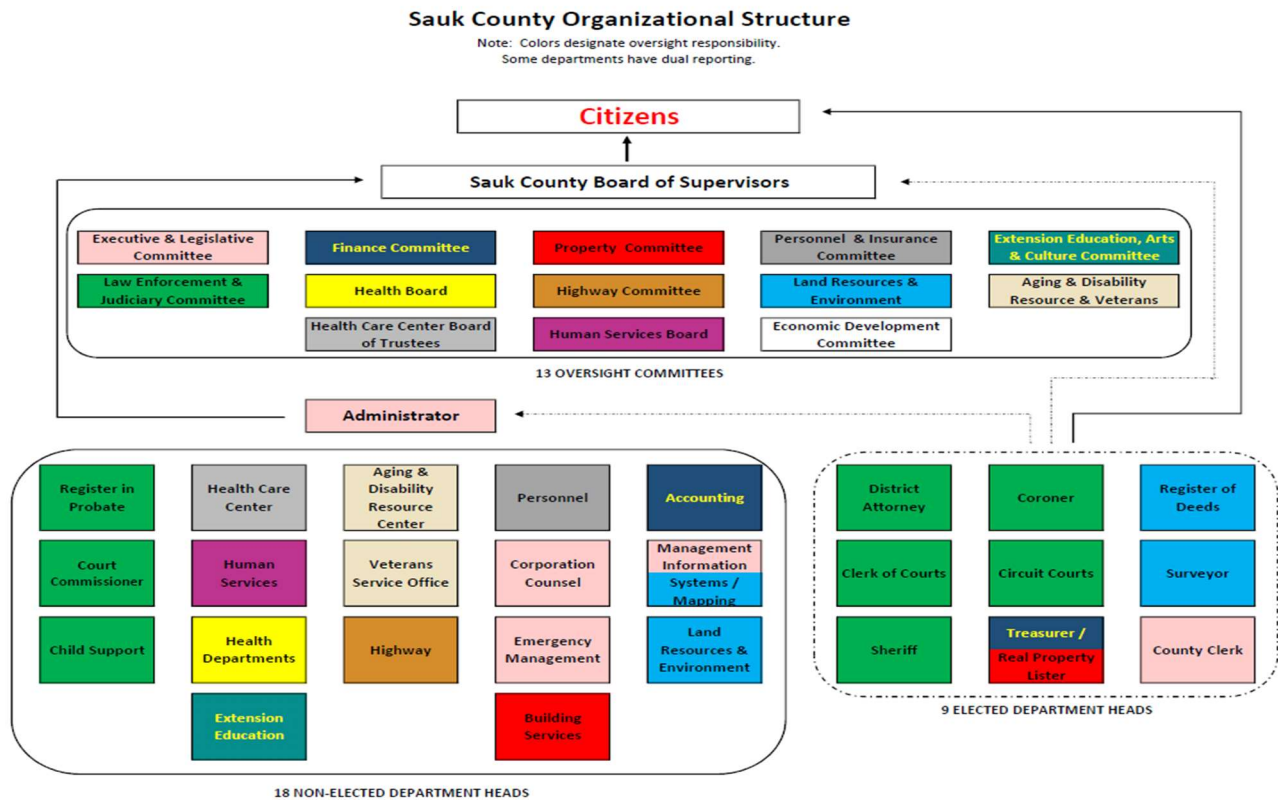
**4.0%**

unemployment rate compared to Wisconsin at 3.8%

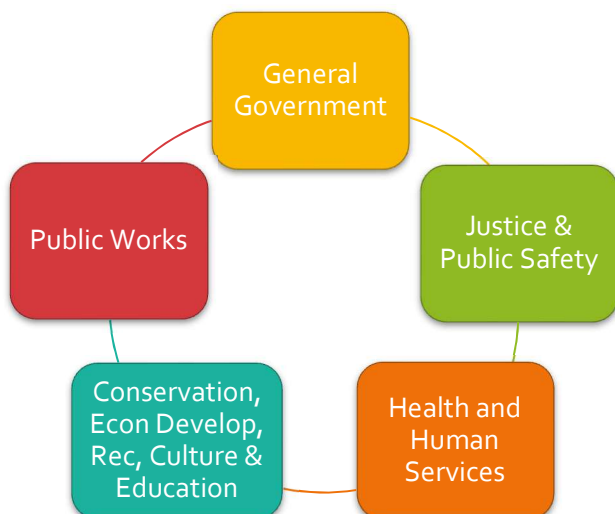


# Governmental Structure

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.

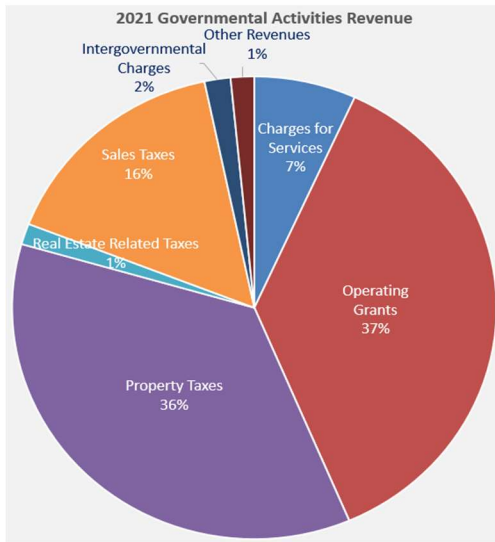


The services provided by the County are categorized into the following five functions.



- 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"

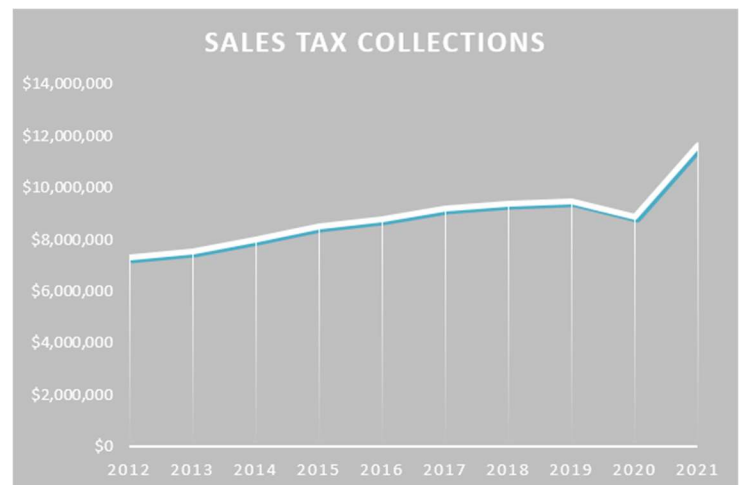


Governmental Activities Revenue	2019	2020	2021	% Change
Charges for Services	\$4,873,654	\$4,805,269	\$5,013,691	4.34%
Operating Grants	21,515,850	25,508,919	27,109,526	6.27%
Capital Grants	-	-	-	0.00%
Property Taxes	25,554,535	26,418,947	26,410,970	-0.03%
Real Estate Related Taxes	1,085,974	1,029,389	1,075,585	4.49%
Sales Taxes	9,460,803	8,891,032	11,636,385	30.88%
Intergovernmental Charges	1,442,331	1,391,822	1,280,360	-8.01%
Other Revenues	2,210,122	1,660,667	1,157,633	-30.29%
<b>Total Revenues</b>	<b>\$66,143,269</b>	<b>\$69,706,045</b>	<b>\$73,684,150</b>	<b>5.71%</b>

Sauk County's governmental activities revenue comes from many different sources. In 2021, the County collected a total of \$73.7 million with the majority coming from property taxes (36%) and operating grants (37%). COVID-19 Federal and state funds totaled \$2.2 million in 2020 and about half that in 2021, largely in the health and social services area. Health and social services community living and support operating grants increased by \$1.8 million.

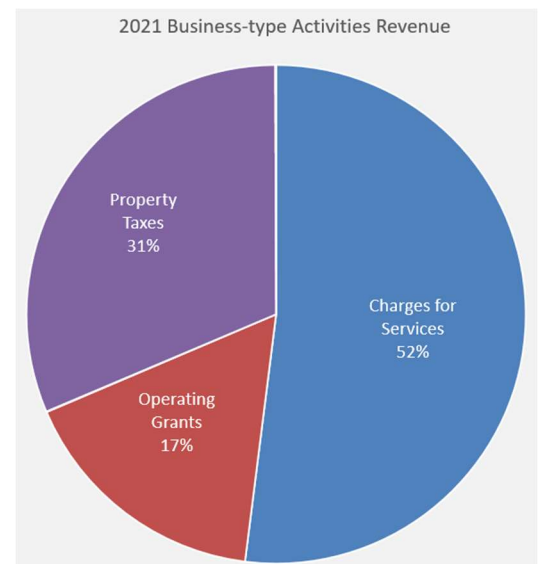
Sales tax collections reflect economic response to COVID-19 as well, with a large decrease in 2020, rebounding strongly in 2021.

**Sales Tax** collected in **2021** was a **record \$11.6 million**



Sauk County's business-type revenue comes from the Highway Department and the Health Care Center. In 2021, the county collected a total of \$18.7 million with the majority coming from charges for services and property taxes. Highway revenues increased by \$600,000, and the Health Care Center showed a decrease of \$1.1 million with limited admissions due to COVID-19.

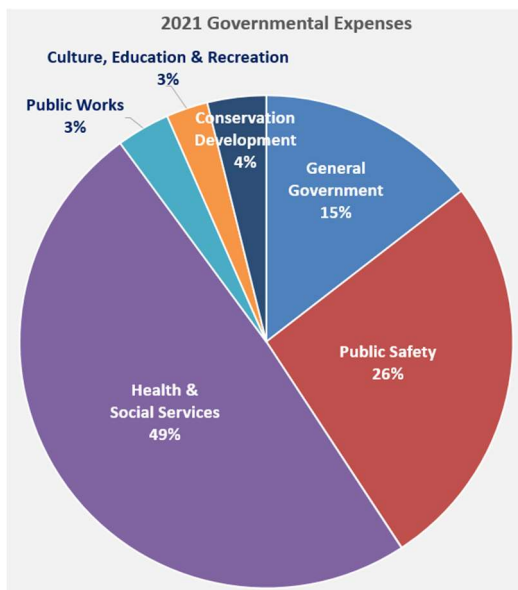
Business-type Activities Revenue	2019	2020	2021	% Change
Charges for Services	\$11,544,831	\$9,540,346	\$9,711,166	1.79%
Operating Grants	2,888,303	4,487,262	3,099,252	-30.93%
Capital Grants	14,320	7,627	6,730	-11.76%
Property Taxes	5,607,821	5,311,930	5,849,366	10.12%
Other Revenues	289,607	62,694	11,519	-81.63%
<b>Total Revenues</b>	<b>\$20,344,882</b>	<b>\$19,409,859</b>	<b>\$18,678,033</b>	<b>-3.77%</b>





# Expenses “DOLLARS OUT”

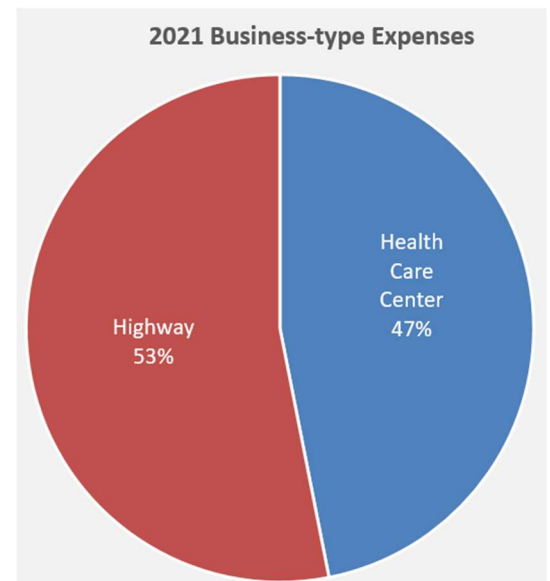
Governmental Expenses	2019	2020	2021	% Change
General Government	\$9,495,441	\$10,069,359	\$9,785,705	-2.82%
Public Safety	19,950,857	19,000,609	17,686,296	-6.92%
Interest & Fiscal Charges	47,363	12,087	(10,834)	-189.63%
Health & Social Services	29,936,740	31,840,028	33,133,684	4.06%
Public Works	2,434,283	2,586,258	2,365,775	-8.53%
Culture, Education & Recreation	2,654,625	1,814,877	1,840,979	1.44%
Conservation Development	2,711,120	3,286,189	2,594,297	-21.05%
Total Expenses	\$67,230,429	\$68,609,407	\$67,395,902	-1.77%



Governmental activities expenses decreased \$1.2 million, or 1.8%, to \$67.4 million, due largely to a decrease in Conservation Development and Public Safety expenses. Public safety expenses decreased \$1.3 million due to lower expenditures for protective equipment related to COVID-19.

Business-type Expenses	2019	2020	2021	% Change
Health Care Center	\$9,829,258	\$8,723,609	\$7,620,493	-12.65%
Highway	9,137,575	7,967,334	8,627,676	8.29%
Total Expenses	\$18,966,833	\$16,690,943	\$16,248,169	-2.65%

Sauk County’s business-type expenses in total were just over \$16 million, with a decrease of \$400,000 or 2.7%. Highway expenses increased \$660,000 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	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$ 96.9	\$ 111.5	\$ 18.7	\$ 17.4	\$ 115.6	\$128.9
Capital assets, net of depreciation	99.3	98.0	20.6	22.7	119.8	120.7
Total Assets	196.2	209.5	39.3	40.2	235.4	249.6
Deferred outflows of resources	14.4	20.3	4.3	5.7	18.7	26.0
Current and other liabilities	6.2	13.0	0.9	0.7	7.1	13.7
Non-current liabilities	9.4	8.0	9.0	8.1	18.3	16.0
Total Liabilities	15.6	21.0	9.8	8.8	25.5	29.7
Deferred inflows of resources	44.3	51.0	10.6	12.4	55.0	63.4
Net Position:						
Net investment in capital assets	97.4	98.0	13.6	16.6	111.0	114.7
Restricted	16.5	21.3	1.5	2.9	18.0	24.2
Unrestricted	36.8	38.4	8.0	5.2	44.8	43.5
<b>TOTAL NET POSITION</b>	<b>\$ 150.6</b>	<b>\$ 157.7</b>	<b>\$ 23.1</b>	<b>\$ 24.7</b>	<b>\$ 173.7</b>	<b>\$ 182.4</b>

Sauk County's Net Position as discussed in the Management's Discussion and Analysis section of the Annual Comprehensive Financial Report, provides insight into the County's financial position as of December 31, 2021.

*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

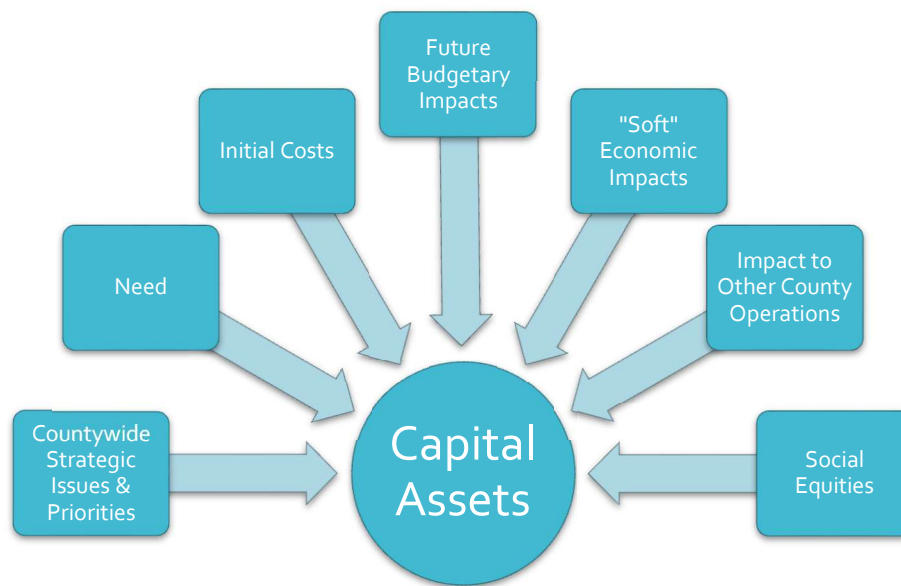
- Assets increased \$13.3 million, due to a \$5.9 million increase in pension assets, a \$7.7 million increase in cash and investments, a \$2.4 million increase in internal balances and a \$1.5 million decrease in taxes receivable.
- Deferred outflows increased \$5.9 million due to pension amounts.
- Liabilities increased \$5.4 million, largely due to \$6.2 million in unearned revenue resulting from the first payment of American Rescue Plan Act (ARPA) funding and a decrease of \$1.5 million in other post-employment benefits.
- Deferred inflows increased \$6.7 million with a \$7.9 million increase in pension amounts and a \$1.2 million decrease due to property taxes for the subsequent year.
- Total net position increased \$7.1 million.

- Net investment in capital assets increased \$620,000 from infrastructure additions and the debt payment of \$1.9 million.
- Restricted funds increased \$4.9 million due to the increase in the pension asset.
- Unrestricted funds decreased \$1.6 million from budget variances offset by pension activity.

## Business-type Activities

- Assets increased by \$900,000, largely due to the pension asset and construction in progress increase off set by budget variances.
- Deferred outflows increased \$1.4 million due to pension related amounts.
- Liabilities decreased \$1.1 million and deferred inflows increased \$1.8 million, all related to pension amounts.
- Net position increased by \$1.6 million.
- \$1.4 million became restricted for pension asset.

# Capital Assets “WHAT DO WE OWN?”



Sauk County’s investment in capital assets for governmental activities as of December 31, 2021 amounted to \$98 million (net of depreciation), a net decrease of \$1.2 million. Investments in capital assets include buildings, machinery and equipment. Routine reconstructed roadways, infrastructure and equipment replacement were less than planned depreciation.

## Sauk County’s Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities	
	2020	2021	2020	2021
Land	\$ 4,944,818	\$ 4,944,744	\$ 614,557	\$ 614,557
Purchased development rights	6,778,466	6,780,582	-	-
Construction in progress	531,852	735,703	319,952	2,152,014
Intangibles	719,864	670,352	179,025	165,165
Land improvements	862,704	817,171	244,092	365,164
Buildings	36,887,906	36,344,945	12,228,214	11,743,778
Building improvements	3,782,518	3,606,056	-	-
Machinery, equipment, and vehicles	4,940,658	4,685,583	6,951,831	7,624,313
Infrastructure	39,821,318	39,441,321	39,883	37,000
<b>Totals</b>	<b>\$ 99,270,104</b>	<b>\$ 98,026,457</b>	<b>\$ 20,577,554</b>	<b>\$ 22,702,018</b>

The County’s investment in business-type activities capital assets as of December 31, 2021 was \$23 million (net of depreciation), a net increase of \$2.2 million. Changes consisted primarily of planning and new construction of highway buildings.



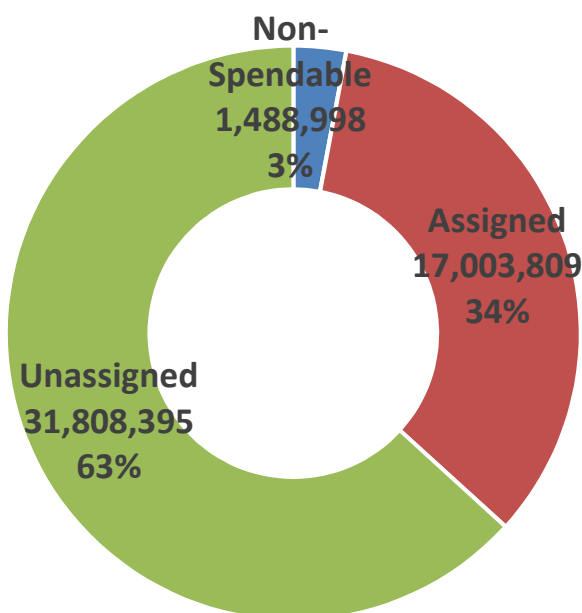
# Fund Balance

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.

<b>Governmental Funds</b>				
<b>Fund Balances</b>	2019	2020	2021	% Change
Non-Spendable (receivables, inventories)	1,421,805	1,483,084	1,501,515	1.24%
Restricted (by external laws, regulations)	9,768,069	9,429,021	8,664,836	-8.10%
Assigned (Sauk County's intent to use)	11,375,677	11,630,857	17,003,809	46.20%
Unassigned (all other uses)	31,834,457	33,185,613	31,754,227	-4.31%
Total Expenses	54,400,008	55,728,575	58,924,387	5.73%

At the end of the current fiscal year, unassigned fund balance of the general fund was \$32 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 54% of the fund balance constitutes unassigned fund balance, which is available to spend at the government's discretion.

## 2021 General Fund Balance



## Sauk County's general fund increased by \$4.1 million.

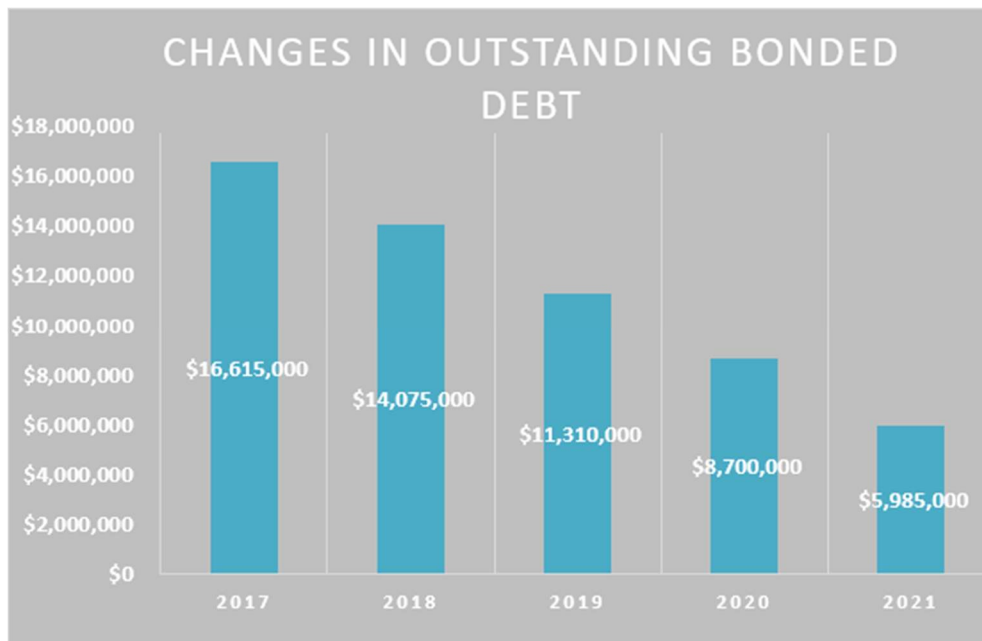
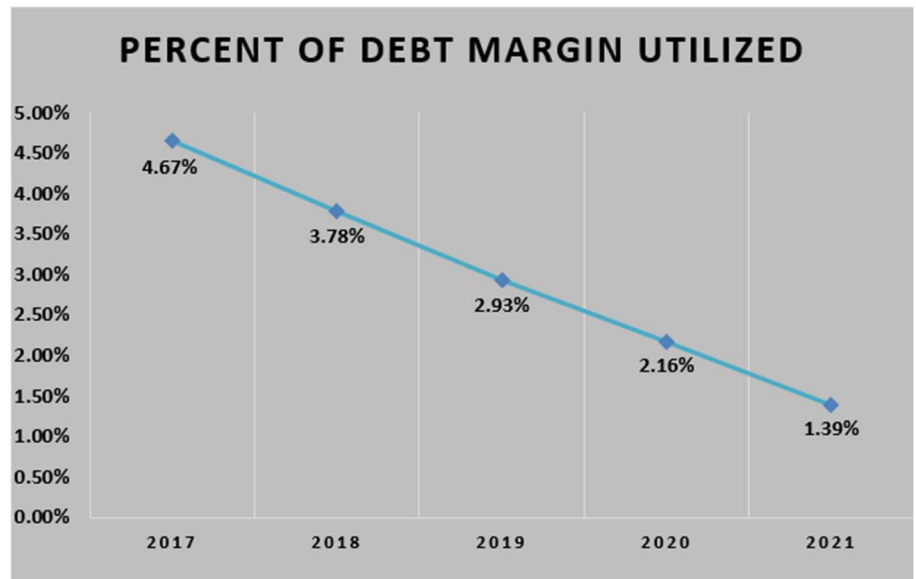
Key factors in this growth are:

- Sales tax collections exceeded budget by \$2.5 million.
- Transfer of excess funds from Human Services \$1.1 million.
- Lease/rent of fiber optics, communications and county buildings \$245,000.
- Board of prisoners from other jurisdictions \$229,000.
- Interest and penalty on delinquent tax collections \$139,000.
- Interest earned on invested funds \$135,000.
- Real estate transfer tax collected \$104,000.

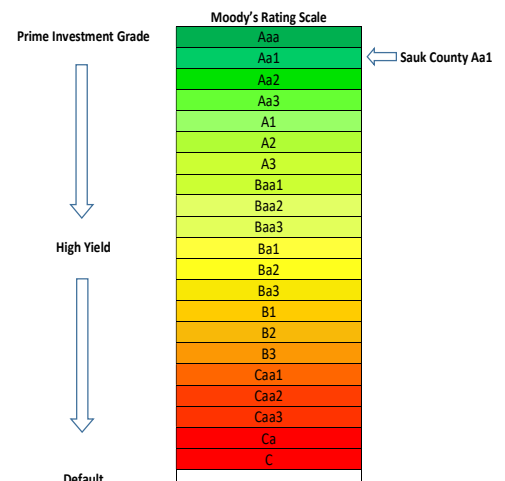
# Long-Term Debt "WHAT DO WE OWE?"

Sauk County's total general obligation debt at year-end was \$5.985 million, well within the limit of \$432 million. The \$5.985 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 **\$432** million, the County is far below this limit for 2021 at **\$5.985** million.

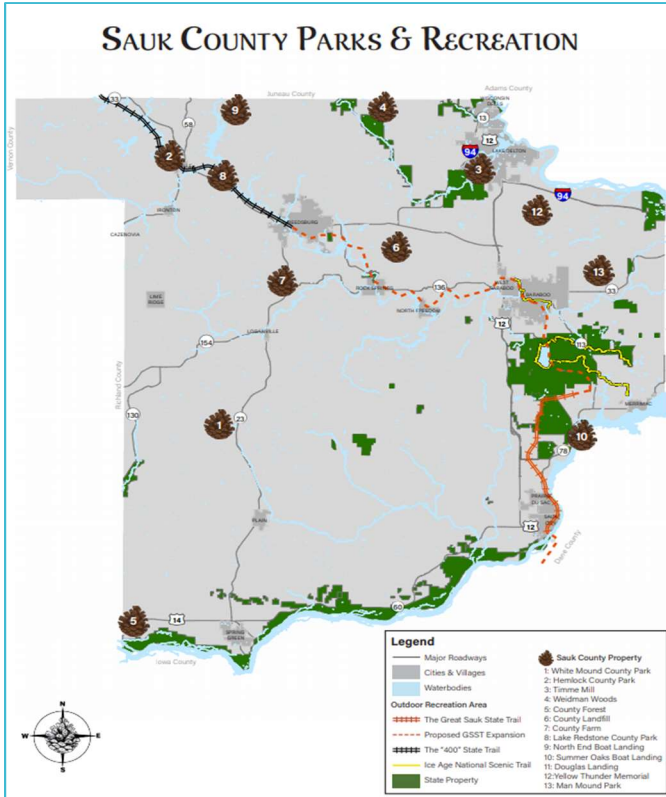


Sauk County's general obligation bond rating by Moody's Investor Services, Inc. remains at Aa1. Moody's ratings are designed to provide a relative measure of risk.



# 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/sites/default/files/fileattachments/parks_and_recreation/page/2902/scorp_2020-2024.pdf)

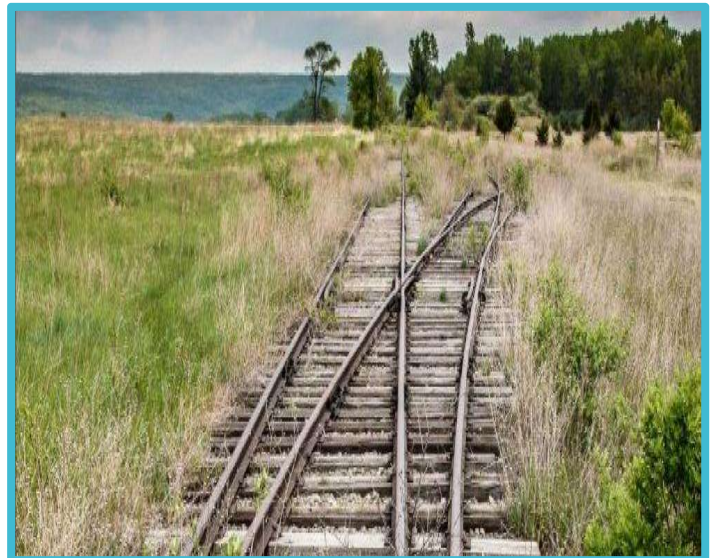
<https://www.co.sauk.wi.us/parksandrecreation/great-sauk-state-trail>

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.

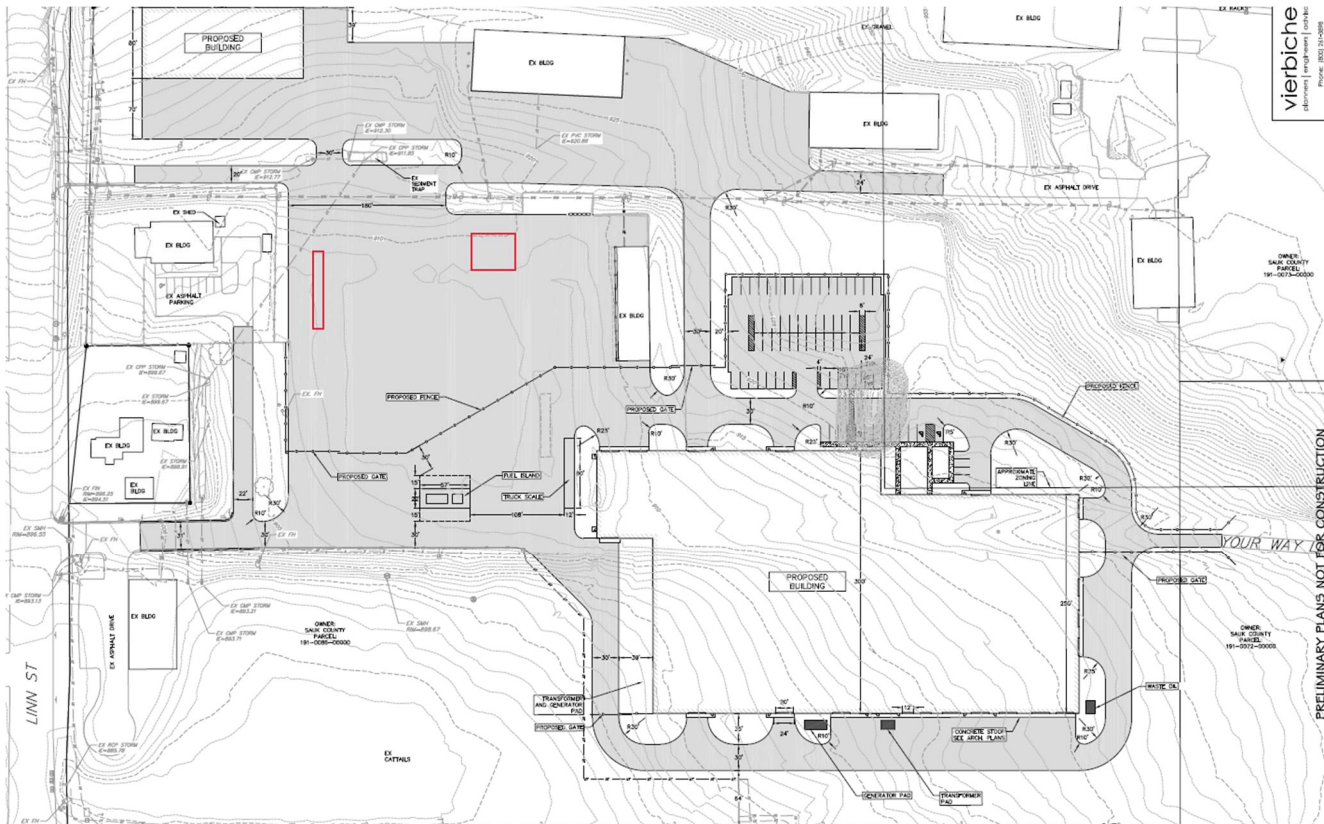
The final vision for the GSST will be a seamless connection through Sauk County that will

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. Plans and specifications were distributed in late 2021 and construction is set to begin in 2023. The new facility will be sited on a County-owned parcel located at 620 Linn Street in West Baraboo. General obligation bonds of \$45 million were issued in April, 2022 to fund the majority of this project.





Sauk County Accounting  
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