

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

Winnebago County, Wisconsin

Year ended December 31, 2020

Department of Finance

**Vicky K Fitzgerald, C.P.A.
Finance Director**

WINNEBAGO COUNTY, WISCONSIN
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year ended December 31, 2020

TABLE OF CONTENTS

		<u>Page</u>
I.	<u>INTRODUCTORY SECTION</u>	
	A. Letter of transmittal	8-11
	B. County Board of Supervisors	12
	C. List of principal officials	13
	D. Organization of Winnebago County Government	14
II.	<u>FINANCIAL SECTION</u>	
	A. Independent auditors' report	15-17
	B. Management's Discussion and Analysis	18-37
	C. Basic Financial Statements	
	Government-Wide Financial Statements:	
	1. Statement of Net Position	38-39
	2. Statement of Activities	40
	Governmental Fund Financial Statements:	
	1. Balance Sheet- Governmental Funds	41-42
	2. Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	43
	3. Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds	44-45
	4. Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	46
	Proprietary Fund Financial Statements:	
	1. Statement of Net Position- Proprietary Funds	47-48
	2. Statement of Revenues, Expenses and Changes in Fund Net Position- Proprietary Funds	49-50
	3. Statement of Cash Flows- Proprietary Funds	51-52
	Fiduciary Fund Financial Statements:	
	Statement of Fiduciary Net Position	53
	Combined Statement of Change in Fiduciary Net Position- Fiduciary Funds- Other Custodial Funds	54
	Notes to the Basic Financial Statements	55-113

Required Supplementary Information Other Than MD&A:

Schedule of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual General and Major Special Revenue Funds:	<u>Page</u>
1. Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual –General Fund	116
2. Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual –Human Services Fund	118
3. Schedule of Changes in Total OPEB Liability and Related Ratios	119
4. Schedule of Proportionate Share of the Net OPEB Liability/Asset- Local Retiree Life Insurance Fund	120
5. Schedule of Contributions - Local Retiree Life Insurance Fund	121
6. Schedule of Proportionate Share of the Net Pension Liability/Asset- Wisconsin Retirement System	122
7. Schedule of Contributions - Wisconsin Retirement System	123
8. Notes to Required Supplementary Information	124-125

D. Supplementary Information:

Statements and Schedules - Major Funds:

1. Balance Sheets- General Fund	128-129
2. Schedule of Revenues and Other Financing Sources- Budget and Actual –General Fund	130-133
3. Schedule of Expenditures and Other Financing Uses- Budget and Actual –General Fund	134-140
4. Balance Sheets- Human Services Fund	142

Combining Statements of Nonmajor Governmental Funds:

1. Combining Balance Sheet- Nonmajor Governmental Funds	144
2. Combining Statement of Revenues, Expenditures and Changes in Fund Balances- Nonmajor Governmental Funds	145
3. Combined Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual – Nonmajor Governmental Funds	146

Statements of Non-major Governmental Funds:

1. Balance Sheets- Nonmajor Debt Service Fund	149
2. Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual – Nonmajor Debt Service Fund	150
3. Balance Sheet- Nonmajor Capital Projects Fund	153
4. Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual – Nonmajor Capital Projects Fund	154
5. Combining Statement of Revenues, Expenditures and Changes in Project Balances- Nonmajor Capital Projects Fund	155-156

Enterprise Funds

1. Comparative Statements of Net Position-Airport Fund	158-159
2. Comparative Statements of Revenues, Expenses, and Changes in Net Position- Airport Fund	160
3. Comparative Statements of Cash Flows- Airport Fund	161-162
4. Comparative Statements of Net Position- Solid Waste Management Fund	163-164
5. Comparative Statements of Revenues, Expenses, and Changes in Net Position- Solid Waste Management Fund	165
6. Comparative Statements of Cash Flows- Solid Waste Management Fund	166-167
7. Comparative Statements of Net Position- Park View Health Center Fund	168-169
8. Comparative Statements of Revenues, Expenses, and Changes in Net Position- Park View Health Center Fund	170

Enterprise Funds (cont)	<u>Page</u>
9. Comparative Statements of Cash Flows- Park View Health Center Fund	171-172
10. Comparative Statements of Net Position- Highway Fund	173-174
11. Comparative Statements of Revenues, Expenses, and Changes in Net Position- Highway Fund	175
12. Comparative Statements of Cash Flows- Highway Fund	176-177

Internal Service Funds:

1. Combining Statement of Net Position- All Internal Service Funds	179-180
2. Combining Statement of Revenues, Expenses and Changes in Net Position- All Internal Service Funds	181
3. Combining Statement of Cash Flow- All Internal Service Funds	182-183
4. Comparative Statements of Net Position- General Services Fund	184
5. Comparative Statements of Revenues, Expenses and Changes in Net Position- General Services Fund	185
6. Comparative Statements of Cash Flows- General Services Fund	186
7. Comparative Statements of Net Position- Self Insurance Fund	187
8. Comparative Statements of Revenues, Expenses and Changes in Net Position- Self Insurance Fund	188
9. Comparative Statements of Cash Flows- Self Insurance Fund	189-190

Fiduciary Funds:

1. Combining Statement of Fiduciary Net Position- Fiduciary Funds- Other Custodial Funds	192
2. Combining Statement of Changes in Fiduciary Net Position- Fiduciary Funds – Other Custodial Funds	193

Capital Assets Used in the Operation of Governmental Funds:

1. Comparative Schedule by Source	195
2. Schedule by Function and Activity	196-197
3. Schedule of Changes by Function and Activity	198-199

Independent auditors' report	200-201
-------------------------------------	---------

III. **STATISTICAL SECTION**

1. Net Position by Component - for the last ten fiscal years	203-204
2. Changes in Net Position - for the last ten fiscal years	205-210
3. Fund Balances Governmental Funds- for the last ten fiscal years	211-212
4. Changes in Fund Balances Governmental Funds - for the last ten fiscal years	213-214
5. Equalized Value of Taxable Property - for the last ten fiscal years	215

III.	<u>STATISTICAL SECTION</u> (cont.)	<u>Page</u>
6.	Direct and Overlapping Property Tax Rates - for the last ten fiscal years	216-219
7.	Principal Taxpayers – December 31, 2020 and nine years prior	220
8.	Property Tax Levies and Collections- for the last ten fiscal years	221
9.	Ratio of Outstanding Debt to Equalized Valuation and Debt Per Capita - for the last ten fiscal years	222
10.	Legal Debt Margin Information - for the last ten fiscal years	223-224
11.	Computation of Direct and Overlapping Debt - December 31, 2020	225-226
12.	Demographic and Economic Statistics - for the last ten fiscal years	227
13.	Ten Largest Employers – December 31, 2020 and nine years prior	228
14.	Full-Time Budgeted County Positions by Functional Area- for the last ten fiscal years	229
15.	Miscellaneous Operating Indicators - for the last ten fiscal years	230-233
16.	Capital Asset Statistics by Functional Area - for the last ten fiscal years	234-235



Winnebago County
Office of the County Executive

The Wave of the Future

June 30, 2021

To the Honorable County Board of Supervisors and Citizens of Winnebago County, Wisconsin:

State law requires that all general-purpose local governments with a population over 25,000 publish within seven months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Winnebago County, Wisconsin for the fiscal year ended December 31, 2020.

This report consists of management's representations concerning the finances of Winnebago County, Wisconsin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Winnebago County, Wisconsin has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Winnebago County, Wisconsin financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Winnebago County, Wisconsin comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Winnebago County, Wisconsin financial statements have been audited by Clifton Allen Larson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Winnebago County, Wisconsin for the fiscal year ended December 31, 2020, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Winnebago County, Wisconsin financial statements for the fiscal year ended December 31, 2020, are fairly presented as the first component of the financial section of this report.

The independent audit of the financial statements of Winnebago County, Wisconsin was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Winnebago County, Wisconsin separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Winnebago County, Wisconsin MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Winnebago County, Wisconsin, established in 1840, is situated in east central Wisconsin, bordered on the east and including parts of Lake Winnebago. Winnebago County, Wisconsin anchors the southern half of the Fox River Valley -- one of the largest metropolitan areas in Wisconsin. Winnebago County, Wisconsin occupies a land area of 286,912 acres and serves a population of 169,861. The County is empowered to levy a property tax on both real and personal property located within its boundaries.

Winnebago County, Wisconsin operates under a County Board - Executive form of government. Policy-making and legislative authority are vested in a governing board consisting of 36 elected supervisors. The County Board of Supervisors is responsible, among other things, for passing resolutions, adopting the budget, and appointing committees. The Executive is responsible for carrying out the policies of the Board, overseeing the day-to-day operations of the County, and for appointment of heads to non-elected departments. The Board is elected on a non-partisan basis, and supervisors are elected to districts to serve two-year terms. The Executive is elected to serve a four-year term.

Winnebago County, Wisconsin provides a full range of services; including law enforcement, recreational and cultural activities; planning and zoning services; health and human services; solid waste disposal; education; airport and health care facilities; maintenance of highways; support for the state's judicial system and general administrative services. In addition, the County has established a housing authority.

The annual budget serves as the foundation for Winnebago County, Wisconsin's financial planning and control. All departments of the County are required to submit requests for appropriation to the County Executive in late July of each year. The County Executive uses these requests as the starting point for developing a proposed budget. The County Executive then presents this proposed budget to the County Board for review and adoption at its late October to early November budget meetings. The County Board is required to hold public hearings on the proposed budget and to adopt a final budget by early November of each year. The adopted budget is prepared by division, department, and category. The categories consist of labor, travel, capital, and other expenditures. Department heads may make transfers of appropriations within categories within their own department. Transfers of appropriations between categories or departments, however, require the special approval of the Personnel & Finance Committee. Transfers exceeding \$15,000 require the approval of the County Board.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget was adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Winnebago County, Wisconsin operates.

Local economy. Winnebago County, Wisconsin normally has a relatively stable economic environment however, since March 2020, the COVID-19 pandemic has had a significant impact. The region is most noted for a stable industrialized base that centers on the paper, packaging and specialty heavy vehicle industries. National paper companies have significant manufacturing operations here. Paper and allied products, lumber and wood products, printing, publishing and allied products, primary metal industries and transportation equipment are Winnebago County, Wisconsin's specialties.

Tourism also plays a large role in the economic health of Winnebago County. Families vacation here all year round to take advantage of the many outdoor recreational activities that are available. Fishing on the Fox River chain and outdoor music concerts are several of these activities. The County is also known worldwide for the Experimental Aircraft Association, which hosts its international fly-in at Oshkosh Wisconsin's Wittman Regional Airport for ten days each summer. People from all over the world descend on Oshkosh during this convention.

Like most US counties, the current environment is experiencing elevated levels of unemployment, increased uncertainties and a temporary suspension of tourism events due to the COVID-19 pandemic. The County expects employment and tourism to return to traditional levels once the pandemic is over.

Long-term financial planning. Winnebago County, Wisconsin has continued to keep the County's highway system in very good shape. These highway projects are necessary partially because of the age of the roads but mostly due to the development of residential property and because of business expansion. These roads are necessary to handle the current and future expected traffic flows.

Winnebago County, Wisconsin will continue to look for cost saving opportunities through the consolidation of services with neighboring governments. We have continued successes with the tri-county solid waste disposal and recycling program. We have also consolidated the health departments of several municipalities within the County. Working jointly with neighboring governments helps eliminate the duplication of staff and equipment costs associated with delivering services.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, demand deposits, federally backed adjustable rate mortgage pools, municipal debt instruments, and the State of Wisconsin Local Government Investment Pool. The maturity of the investments ranges from 30 days to 7 years, excluding Solid Waste Trust Funds which extend out to 20 years, with the average maturity of 24 months. The average yield on investments (excluding the mark to market year end adjustment) was 2.29% for the year. Investment income in the CAFR includes the increase in the fair value of investments that occurred at the end of 2019. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

The County has adopted an investment policy, which establishes guidelines for investments but allows the Finance Director to function properly within the parameters of responsibility and authority. It also establishes a prudent set of basic procedures to ensure that investment assets are adequately safeguarded.

Risk Management. The County has property and crime deductibles ranging from \$5,000 to \$10,000. Most of the County is insured by the Wisconsin County Mutual Insurance Corporation (WCMIC) for general, automobile, and public official's liability. The County has a \$100,000 per occurrence, \$250,000 annual aggregate deductible under the WCMIC policy. Park View Health Center has its own general and medical liability policies, and Wittman Regional Airport has its own airport liability policy. These policies do not have any deductibles. The Solid Waste Department has a pollution liability policy with a \$250,000 retention for each loss and a \$20,000,000 each loss/\$20,000,000 total losses limit of liability. Winnebago County, Wisconsin is self-insured for automobile collision, worker's compensation, health, and dental insurance. Portions of these self-insured programs are covered by stop loss protection or excess insurance policies.

Minute Men HR of Wisconsin Insurance Company is our third-party administrator for our worker's compensation self-insurance program. The County has a \$500,000 per occurrence retention for both worker's compensation and employer's liability. Additional information on the County's risk management activity can be found in the notes to the basic financial statements later in this report.

Pension. Winnebago County, Wisconsin employees are covered for retirement purposes under the Wisconsin Retirement Fund, which is administered by the State of Wisconsin's Department of Employee Trust Funds. Employee contributions are 6.75% of salary. An overall employer contribution rate is actuarially determined each year, and the County funded roughly half of this year's required contribution. Winnebago County, Wisconsin previously had an unfunded past service pension liability. However, that liability was retired in early 2003.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Winnebago County, Wisconsin Board of Supervisors and to the Personnel & Finance Committee for their unfailing support for maintaining the highest standards of professionalism in the management of Winnebago County, Wisconsin's finances.

We also want to recognize the Clifton Allen Larson management team, for their expertise which contributed significantly to the report quality and adherence to professional accounting standards.

Respectfully submitted,



Jonathan Doemel
County Executive



Vicky K. Fitzgerald, CPA
Finance Director

COUNTY BOARD OF SUPERVISORS

WINNEBAGO COUNTY, WISCONSIN

SUPERVISORY DISTRICT

SUPERVISORS

1	Thomas J. Konetzke
2	Michael A. Brunn
3	Thomas Borhart
4	Paul Eisen
5	Shiloh Ramos
6	Brian Defferding
7	Steven Lenz
8	Nicole Neuhoff
9	Donald Nussbaum
10	Bryan D. Stafford
11	David W. Albrecht
12	Maribeth Gabert
13	Steven Binder
14	Kevin Konrad
15	Vicki Schorse
16	Alyssa Bolante
17	Julie A. Gordon
18	Bill Wingren
19	Larry Lautenschlager
20	Michael Norton
21	Robert Warnke
22	Doug Zellmer
23	Koby Schellenger
24	Andy Buck
25	Karen D. Powers
26	Susan Locke
27	Morris J. Cox
28	Jerold V. Finch
29	Rachel A. Youngquist
30	Chuck Farrey
31	Joel Rasmussen
32	Robert Keller
33	Thomas Egan
34	W. Thomas Ellis
35	Tom Snider
36	Ben Joas

LIST OF PRINCIPAL OFFICIALS
WINNEBAGO COUNTY, WISCONSIN

ELECTED OFFICIALS

County Executive	Jon Doemel
County Clerk	Susan Ertmer
County Treasurer	Mary Krueger
Clerk of Courts	Melissa Konrad
Coroner	Cheryl Brehmer
District Attorney	Christian Gosset
Register of Deeds	Natalie Strohmeyer
Sheriff	John Matz
Circuit Court Branch I	Judge Teresa Basiliere
Circuit Court Branch II	Judge Scott Woldt
Circuit Court Branch III	Judge Barbara Hart-Key
Circuit Court Branch IV	Judge LaKeisha Haase
Circuit Court Branch V	Judge John A. Jorgensen
Circuit Court Branch VI	Judge Daniel Bissett

APPOINTED OFFICIALS

Airport Manager	Jim Schell
Area Extension Director	Chris Viau
Building Maintenance Supervisor	Michael Elder
Child Support Agency	Julie Mabry
Corporation Counsel	Mary Anne Mueller
Court Commissioner	John Bermingham
Court Commissioner	Bryan Kerberlein
Emergency Government Director	Eric Rasmussen
Family Court Commissioner	Lisa Krueger
Family Court Counseling Director	Christopher Demos
Finance Director	Vicky Fitzgerald
Highway Commissioner (Acting)	Robert Doemel
Human Services	Bill Topel
Information Systems Manager	Patty Francour
Land/Water Conservation Director	Chad Casper
Parks Director	Adam Breest
Park View Health Ctr. Administrator	Kara Gruber
Personnel Director	Michael Collard
Planning/Zoning Director	Jerry Bougie
Public Health Director	Douglas Gieryn
Solid Waste Manager	John Rabe
Veterans Services Officer	Jeffery Bucholtz

WINNEBAGO COUNTY

