



**WASHINGTON  
COUNTY** 1836  
EST WISCONSIN

# 2019 POPULAR ANNUAL FINANCIAL REPORT

## CONTENTS

**WHAT IS A PAFR?** 1

### **ABOUT WASHINGTON COUNTY**

Government Structure  
and Finance Department 2

Accomplishments 3

By the Numbers 4

Quick Facts 5

### **COUNTY FINANCES**

Revenues 6

Expenses 7

Net Position 8


Fund Balances 10

Debt 11

Assets 12

**LONG TERM PLANNING** 13

**GLOSSARY OF TERMS** 14



**432 E. Washington St.  
West Bend, WI 53095-7986**

# What is a Popular Annual Financial Report?

About\\  
This Report

Washington County is proud to present the Popular Annual Financial Report (PAFR) for 2019. A PAFR is a short summary of the County's key financial activities and provides the community with a quick overview of the County's financial standing. The PAFR is derived from detailed information and reports that follow the Generally Accepted Accounting Principles (GAAP), but it does not include all of the information about the County's finances. The Comprehensive Annual Financial Report (CAFR) provides more detailed information following GAAP accounting standards and includes audited statements. Both reports, and the County's budget, can be found at <https://www.co.washington.wi.us/departments.iml?mdl=departments.mdl&ID=AUD>.



# Government Structure & Finance Department



About \\  
Washington County

## COUNTY MISSION

Washington County strives to cultivate its rich heritage, vibrant economy and attractive communities through the distinct values that define us.

## LETTER FROM THE FINANCE DIRECTOR

I am pleased to present the County's Popular Annual Financial Report (PAFR) for the year ended December 31, 2019. This report provides a brief analysis of where County revenues come from and where those dollars are spent. Our goal is to give County citizens and businesses the opportunity to learn about the County's financial health.

Information in this report is summarized from the County's 2019 Comprehensive Annual Financial Report (CAFR). The CAFR provides detailed financial statements prepared in accordance with generally accepted accounting principles (GAAP) and audited by Baker Tilly Virchow Krause, LLP. The County received an unmodified (clean) opinion which is given when the auditor can state that the financial statements are presented accurately and fairly. Much of the information in the CAFR is technical and complex and as such, may not be particularly useful to those who wish to better understand County finances.

The PAFR is unaudited, but still presented on a GAAP basis. This report is designed to increase public awareness about the County's financial condition and avoids the heavy use of technical accounting terms and excessive detail. Readers that desire more detailed financial statements can obtain the County's CAFR on our website <https://www.co.washington.wi.us/>.

Margaret M. Hamers, Finance Director

## COUNTY ORGANIZATION

As of April 21, 2020 Washington County operates under a County Executive form of government. The Board of Supervisors is comprised of twenty-six (26) non-partisan members, elected by districts to serve two-year terms. There are 5 cabinet members and 18 department heads.

The Finance Department is in charge of the financial management for the County which includes this report. Margaret Hamers is Washington County's current Finance Director.

The terms of the current Board expire on April 19, 2020 and the County Executive's term expires on April 16, 2024. Prior to April 21, 2020, the County operated under a County Board-Administrator form of government.

**DISCOVER.  
CONNECT.  
PROSPER.**

# County Accomplishments



- Recognized by the Government Finance Officers Association for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for 17 years in a row.
- Recognized for outstanding leadership in switch to Priority Based Budgeting model. Learn more at [ResourceX](#).
- Completed a seven party jurisdictional road transfer which included the state and several municipalities within the County. These transfers were a continuation of the 2050 Transportation Network Sustainability Plan and reaffirmed the County's commitment to a financially sustainable transportation network for Washington County.
- Continued our "double down" plan to fund the revolving loan program which enhances economic growth and vitality in the County through attraction, retention, and development of local businesses.
- Received a \$0.5 million grant to implement an Adult Drug Treatment Court. This court aims to integrate evidence-based substance abuse treatment, mandatory drug testing, sanctions and incentives, and transitional services.

# By the Numbers

About \\  
Washington County

## FOUNDED

**DEC. 1836**

## GEOGRAPHY

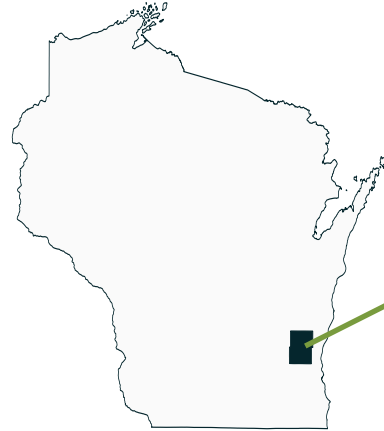
IN SQUARE MILES

**430.64**

LAND

**5.02**

WATER



### DID YOU KNOW?

Washington County has the highest quality of life in Wisconsin and is among the healthiest counties in the state!

## DEMOGRAPHICS

TOTAL POPULATION: **134,535**

MEDIAN AGE: **42.9**

RACE & ETHNICITY BREAKDOWN:

93% Non-Hispanic White



MEDIAN HOUSEHOLD INCOME: **\$74,062**

EDUCATIONAL ATTAINMENT FOR POPULATION OVER 25:

**94.8%** Graduated High School or Equivalent

**30.79%** Graduated with a Bachelor's Degree or Higher

(In order of chart)

3.1% Hispanic or Latino,

1.3% Asian,

1.2% Black or African American,

1.4% Other, Two or More Races, & American Indian or Alaska Native

Data Source: American Community Survey 5-Year Estimates 2014-2018

# Quick Facts

About \\  
Washington County

## TOP 10 EMPLOYERS

1. West Bend Mutual Insurance Company
2. Walmart
3. Froedert-St. Joseph's Hospital
4. SigniCast LLC
5. West Bend Joint School District
6. Washington County
7. Broan NuTone Group
8. Aurora Healthcare
9. MGS Manufacturing
10. Serigraph Inc.

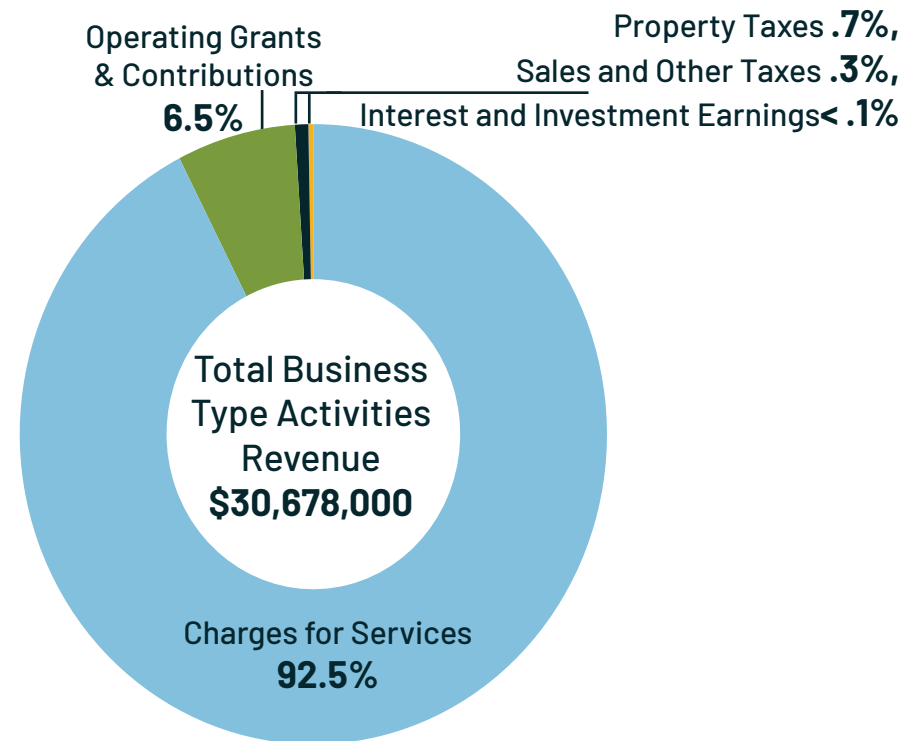
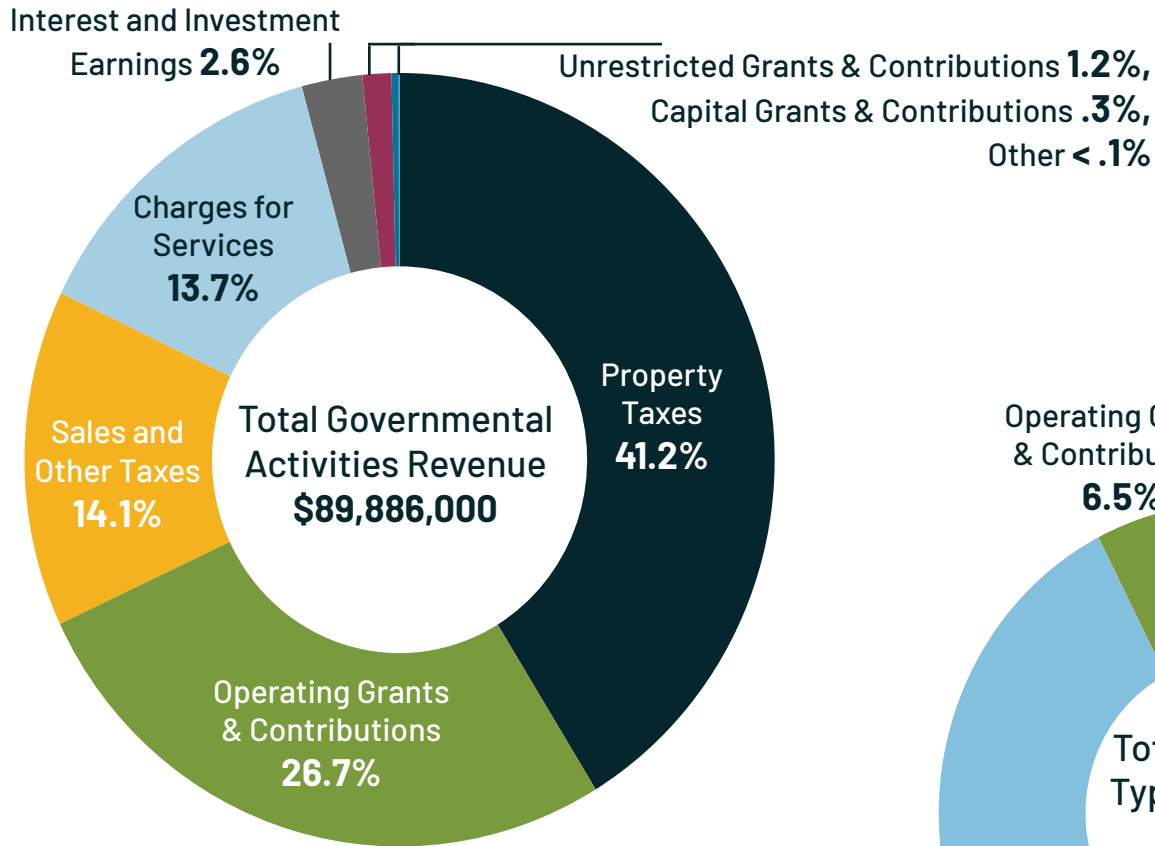


## FINANCIAL HIGHLIGHTS

- Property tax rate decreased \$0.10 to \$2.39 per \$1,000 of property value. This is the 6th consecutive year of rate decreases.
- In 2019, 47% of all expenses (\$56.4 million) were spent on two of the County's top priorities: public safety and health & human services.
- Committed funds for the transfer of the Old Courthouse and Sheriff's Jail to the Washington County Historical Society including a \$3 million challenge grant and \$1 million operational grant. This transfer and grant will relieve annual County subsidies for operational expenses.

# Revenues

About \\  
County Finances

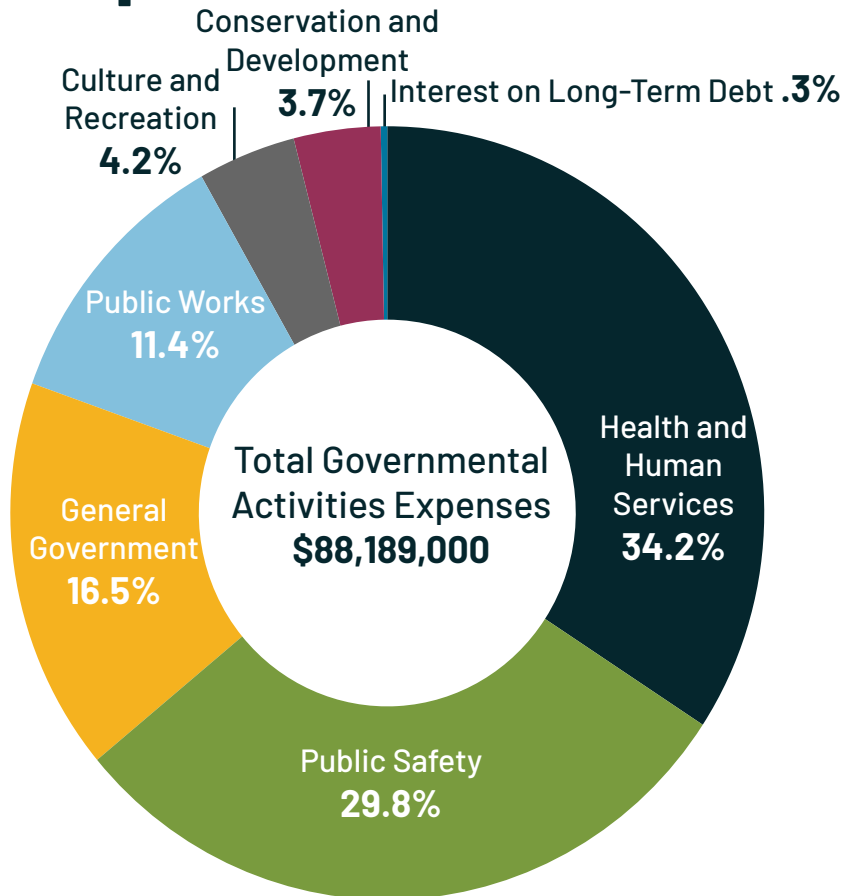


Governmental activity revenues were primarily comprised of property taxes in 2019. Despite this, property taxes decreased in 2019 to Washington County's lowest rate since World War I.

Business type activity revenues were primarily from charges for services.



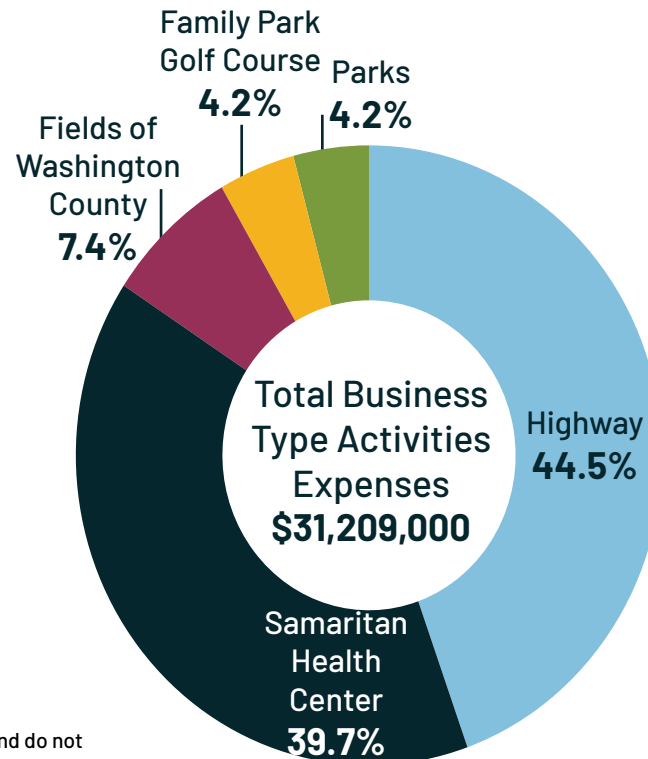
# Expenses



Governmental activity expenses were primarily for health and human services in 2019.

Business type activity expenses were primarily for investment in the highway.

\*Note that revenues do not directly align to expenses. Colors are for display purposes only and do not indicate direct alignment between revenue and expenses.



# Changes in Net Position

As of December 31, 2019. Expressed in thousands.

	Governmental Activities	Business-type Activities	Total 2019	Total 2018
General Revenues	\$53,221	\$309	\$53,530	\$52,882
Program Revenues	36,615	30,639	67,254	65,260
<b>Total Revenues</b>	<b>89,836</b>	<b>30,948</b>	<b>120,784</b>	<b>118,142</b>
General Government	14,516	-	14,516	15,031
Public Safety	26,246	-	26,246	24,767
Public Works	10,016	-	10,016	13,581
Health and Human Services	30,178	-	30,178	27,513
Other Governmental*	7,233	-	7,233	5,512
All Business Type*	-	31,209	31,209	29,390
<b>Total Expenses</b>	<b>88,189</b>	<b>31,209</b>	<b>119,398</b>	<b>115,794</b>
Increase (Decrease) in Net Position Before Transfers	1,647	(261)	1,386	2,348
Transfers In (Out)	4,069	121	4,190	(869)
Increase (Decrease) in Net Position	5,716	(140)	5,576	1,479
Net Position, Beginning	150,921	28,342	179,263	177,784
<b>Net Position, Ending</b>	<b>156,637</b>	<b>28,202</b>	<b>184,839</b>	<b>179,263</b>

The County's financial activities are made up of governmental and business type activities. An example of a governmental activity is street repairs, whereas a business type activity is a County owned golf course. A business type activity is intended to recover a portion of its costs through user fees and charges. This table demonstrates changes in revenues, expenses, and the overall net position for both types of activities. Between 2018 and 2019, the net position increased by about \$5.5M. This is primarily from a one-time payment from the State for a road conveyance and changes in pension amounts.

\*Other governmental includes culture and recreation & conservation and development. All business type includes the Samaritan Health Center, Fields of Washington County, Parks, Family Park Golf Course, the highway, interest, and transfers.

# Net Position

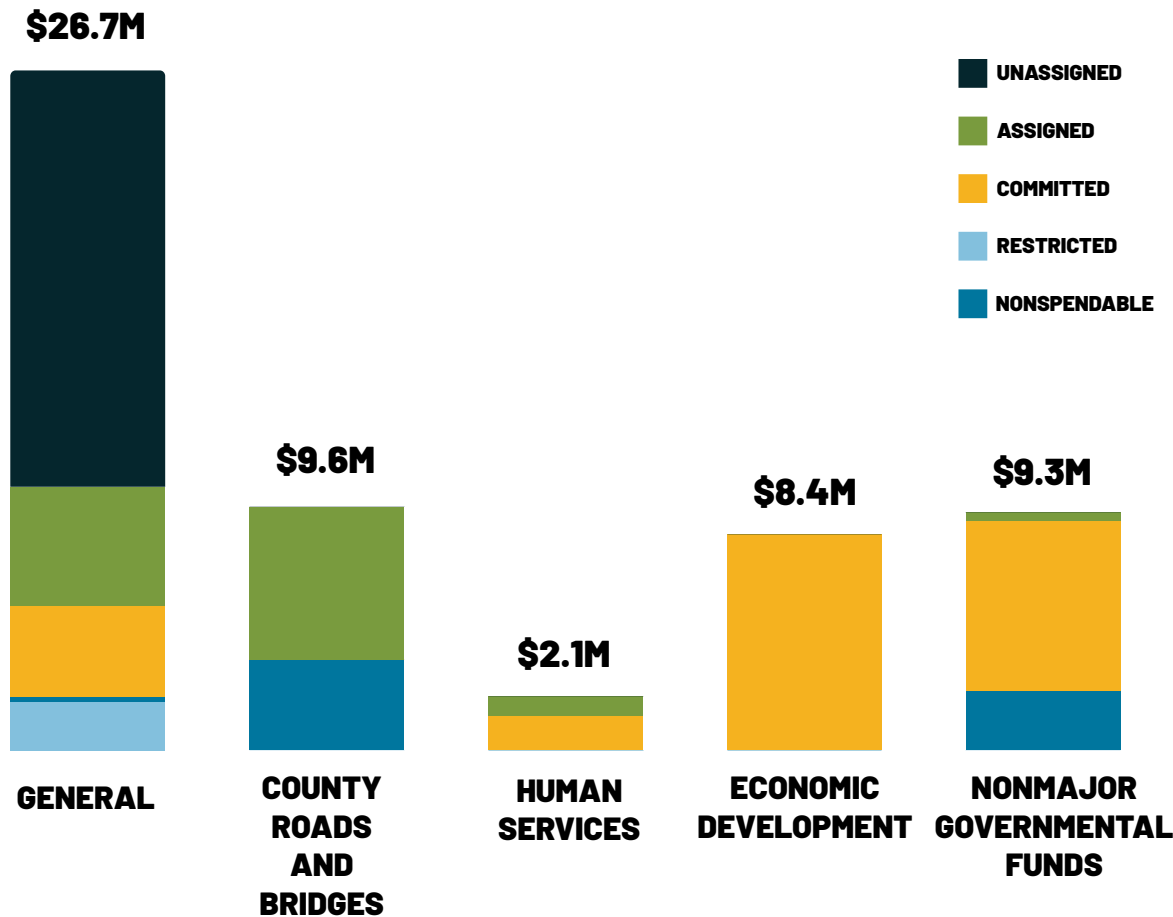
As of December 31, 2019. Expressed in thousands.

Net position is the difference between what the County owns and what it owes. Positive net position is an indicator of financial stability. Washington County's net position demonstrates a positive trend.

	Governmental Activities	Business-type Activities	Total 2019	Total 2018
Current and Other Assets	\$109,553	\$5,749	\$115,302	\$115,550
Non-current Assets	5,378	-	5,378	5,452
Capital Assets, Net of Depreciation	96,906	29,992	126,898	127,044
Deferred Outflows of Resources	18,745	6,247	24,992	14,410
<b>Total Assets and Deferred Outflows</b>	<b>230,582</b>	<b>41,988</b>	<b>272,570</b>	<b>262,456</b>
Long-term Liabilities	18,853	8,222	27,075	14,410
Other Liabilities	7,775	2,359	10,134	9,968
Deferred Inflows of Resources	47,317	3,205	50,522	52,276
<b>Total Liabilities and Deferred Inflows</b>	<b>73,945</b>	<b>13,786</b>	<b>87,731</b>	<b>83,193</b>
Net Investment in Capital Assets	91,112	24,914	116,026	119,372
Restricted Net Position	2,672	42	2,714	10,602
Unrestricted Net Position	62,853	3,246	66,099	49,289
<b>Total Net Position</b>	<b>\$156,637</b>	<b>\$28,202</b>	<b>\$184,839</b>	<b>\$179,263</b>

# Fund Balances

About \\  
County Finances



Fund balances demonstrate the difference between assets and liabilities. Washington County has a **fund balance policy** to retain an unassigned portion of the general fund of between 8-15% of the subsequent year's expenditures from the General, Human Services, Aging and Disability Resource Center, and Child Support funds. This allows for the County to have enough reserves to adapt to unexpected changes in revenues or expenses. For example, these reserves are helping the County to address budget shortfalls due to the COVID-19 pandemic in 2020.

# Debt



# AAA

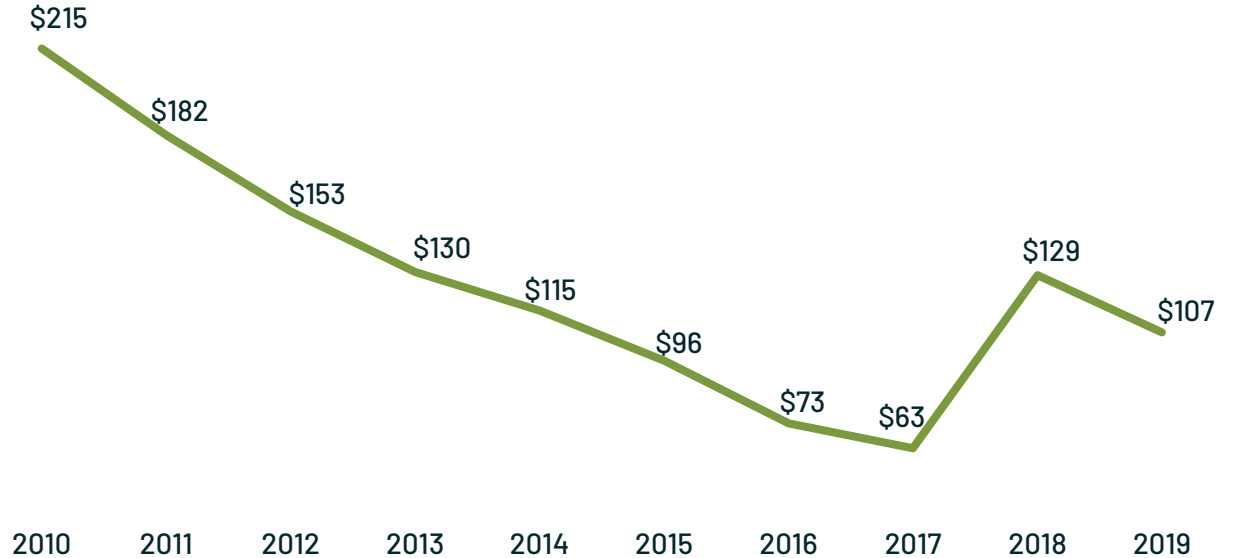
Moody's Rating  
Washington County  
General Obligation Bond

Outstanding debt balances and debt per capita reflect what the County owes for projects that were financed. From 2018 to 2019, the outstanding debt balances, debt per capita, and the County's property tax rate decreased.

**Outstanding Debt Balances. Expressed in thousands.**

	2019	2018	2017
Governmental Activities	\$8,955	\$11,315	\$2,075
Samaritan Health Center	5,190	5,695	6,190
<b>Total Long-Term Debt</b>	<b>\$14,145</b>	<b>\$17,010</b>	<b>\$8,265</b>

**Debt Per Capita**



# Net Capital Assets

Depreciated value expressed in thousands.

About \\  
County Finances

	Governmental Activities	Business-type Activities	Total 2019	Total 2018
Land and Improvements	\$9,632	\$7,379	\$17,011	\$17,448
Buildings	33,801	16,091	49,892	52,645
Machinery and Equipment	13,514	6,204	19,718	20,456
Infrastructure	35,634	-	35,634	35,677
Construction In Progress	4,325	318	4,643	818
<b>Total</b>	<b>\$96,906</b>	<b>\$29,992</b>	<b>\$126,898</b>	<b>\$127,044</b>

Capital assets are assets that the County invested in that are expected to have a long life and are used over time. Some of the asset values decrease over time.

The County had several highway projects in progress at the end of 2019 causing the increase in Construction in Progress. Projects include County Highways K and W.

# Long-Term Planning


About\\  
County Goals

Long-term financial planning is important for the County to ensure that as service demand grows needs are still met. The County engages in a strategic planning process in which goals are developed in conjunction with the priority based budgeting process.

. The County also develops a six-year capital improvement plan. The most recent plan was approved in March 2020 and identifies \$67.9 million of projects for 2021-2026. This plan is included in the County's annual budget.



# Glossary of Terms



About \\  
This Report

**Assets:** Items the County owns.

**Business-type Activities:** Activities financed through fees charged to external parties.

**Capital Assets:** Assets with a life extending beyond the current year that are intended to continue to be used over time, such as land, buildings, vehicles, machinery, infrastructure like roads and bridges, and other equipment.

**Deferred Inflow of Resources:** An accounting term for acquiring assets applicable to a future reporting period. An example are taxes received in advance of the period for which they are levied. (i.e. receive 2019 taxes in 2018)

**Deferred Outflow of Resources:** An accounting term for the County's use of assets applicable to a future reporting period. An example is a grant received by the County before we meet related timing requirements (i.e. received in 2018 but will be used in 2019).

**Expenditures:** County purchases using revenue and/or borrowed funds.

**Governmental Activities:** Activities financed through taxes and intergovernmental revenues.

**Liabilities:** Planned future spending that results from past transactions and/or events such as obtaining an item without yet paying for it.

**Net Position:** The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. This is the County's equity.

**Revenue:** Financial resources received from various sources. Washington County receives revenue through property, sales, and taxes, licenses and permits, grants, fines and forfeitures, charges for services, investment income, and other sources.