

RESOLUTION NO. 2016-22

WHEREAS, Walt Christensen served as the County Board Supervisor for District 30 from April of 1998 to April of 2016, and

WHEREAS, Supervisor Walt Christensen served on the Community Action Coalition Committee, Farmland Conservation Easement Commission, Highway Committee, Highway 26 Advisory Committee, Land & Water Conservation Committee, Lake Ripley Management District, Parks Committee, Solid Waste & Air Quality Committee and Wisconsin Utility Tax Association, and

WHEREAS, Walt was known for his passion in preserving Jefferson County and never ending desire to learn, and

WHEREAS, it is fitting for him to be recognized by the Jefferson County Board of Supervisors for his public service, foresight, leadership, thoughtfulness and sense of command in Jefferson County, which will be missed,

NOW, THEREFORE, BE IT RESOLVED that the Jefferson County Board of Supervisors meeting this 14th day of June 2016, does hereby honor Walt Christensen and wish him happiness and good health in the years ahead.

Ayes ____ Noes ____ Abstain ____ Absent ____ Vacant ____

RESOLUTION NO. 2016-__

Disallowing the claims of James Kopplin/Progressive Universal Insurance Co. and Milwaukee Delivery Service

Executive Summary

Two claims have been made against Jefferson County for damages to motor vehicles caused by road conditions. The first claim is by Progressive Universal Insurance Company on behalf of its insured, James Kopplin, and the second claim is by Milwaukee Delivery Service. Both claims have been reviewed by the County's insurance carrier, WMMIC, and were recommended for disallowance based on the finding that the County is not legally responsible for the alleged damages. This resolution formally denies both claims by Jefferson County and directs the Corporation Counsel to give the claimants notice of disallowance.

WHEREAS, the above Executive Summary is incorporated into this resolution, and

WHEREAS, on May 9, 2016, Jefferson County received a claim from Progressive Universal Insurance Company as subrogee of James Kopplin in an amount of \$3,228.49 alleging that on November 4, 2015, his 2010 Chrysler PT Cruiser was traveling on Beryl Drive in Watertown, Wisconsin, when the vehicle struck a pothole allegedly damaging the front end, underbody and wheels, and

WHEREAS, on March 17, 2016, Jefferson County received a claim from Gary Cooper on behalf of Milwaukee Delivery Service, in an amount of \$4,895.15 alleging that on December 8, 2015, a driver employed by his company, Milwaukee Delivery Service, was northbound on State Highway 26 near Johnson Creek, when a car the Milwaukee Delivery Service 2003 International 4300 Truck was following appeared to flip up a manhole cover, which the Milwaukee Delivery Service driver was unable to avoid, allegedly causing his vehicle to be hit on the right side fuel tank, ripping the right side fuel tank open and bending brackets and upper and lower steps, and

WHEREAS, said damages are alleged to be the result of negligence of Jefferson County, its agents, officials, officers or employees, and

WHEREAS, Jefferson County's insurance carrier, Wisconsin Municipal Mutual Insurance Company, recommends disallowance of the claims, on the basis that the County is not legally responsible for the alleged damages,

NOW, THEREFORE, BE IT RESOLVED that the Jefferson County Board of Supervisors hereby disallows said claims and directs the Corporation Counsel to give the claimants notice of disallowance.

Fiscal Note: These matters have been referred to Wisconsin Municipal Mutual Insurance Company (WMMIC) and will be resolved in accordance with the terms of the County's policy.

Ayes _____ Noes _____ Abstain _____ Absent _____ Vacant _____

Requested by Finance Committee

06-14-16

J. Blair Ward: 05-16-16; 05-26-16; 05-27-16

REVIEWED: Administrator: ; Corp. Counsel: ; Finance Director: 

RESOLUTION NO. 2016-__

Authorization to enter into an Enterprise Resource Planning Software Purchase Contract with Tyler Technologies

Executive Summary

In 2015, county staff sent out an RFP (Request for Proposals) for new ERP (Enterprise Resource Planning) software. There were a total of seven (7) proposals submitted to the County for consideration. Staff from multiple departments reviewed the proposals and selected two (2) companies to conduct demonstrations for county staff. After going through the demonstrations and considering feedback from staff, the determination was made to select Tyler Technologies with MUNIS software.

The Tyler MUNIS software will replace the County's current JD Edwards/AS400 software that was purchased in 1996. This software will be used for finance and human resources information management and will replace all applications currently used by those departments.

The contract cost for the new software including installation and conversion is approximately \$463,000 in addition to vendor travel expenses estimated at \$48,000. The annual maintenance cost on the software is approximately \$56,000. Other costs such as additional staff time and contingency are estimated at \$89,000.

This resolution authorizes the County Administrator to enter into a professional services contract with Tyler Technologies for the purchase of new ERP software for the County. The cost estimates for software, implementation, travel and contingency are \$600,000 of which \$300,000 is in the 2016 budget and the remaining \$300,000 requires a budget amendment utilizing funds from the closing of the 2015 fiscal year.

WHEREAS, the above Executive Summary is incorporated into this resolution, and

WHEREAS, the current finance and human resources information management system was purchased in 1996, and

WHEREAS, staff has recommended that the County purchase and implement new ERP (Enterprise Resource Planning) software to improve on functionality and efficiency, and

WHEREAS, after due consideration, the Finance Committee recommends that the County proceed forward with the purchase of ERP software through Tyler Technologies with MUNIS software.

NOW, THEREFORE, BE IT RESOLVED that the County Administrator is authorized to enter into a professional services contract with Tyler Technologies for new ERP Software with the estimated cost of \$600,000 with \$300,000 funded from the 2016 budget and the remaining funds approved through a budget amendment using funds from the closing of the 2015 fiscal year.




Fiscal Note: The new software, implementation and conversion are approximately \$463,000; travel expense is estimated at \$48,000. The annual maintenance on the software will be approximately \$56,000. Other costs such as additional staff time and contingency are estimated at \$89,000. The total cost with software, implementation, travel and contingency is about \$600,000. The 2016 budget includes \$300,000 for the purchase of the ERP software. Closing of the 2015 year end financials generated unbudgeted General Fund surplus which will be used to fund the remaining \$300,000 for the purchase and installation. As a budget amendment, this resolution requires twenty (20) affirmative votes for passage.

Ayes: _____ Noes: _____ Abstain: _____ Absent: _____ Vacant: _____

Requested by Finance Committee

06-14-16

Brian Lamers: 05-13-16; J. Blair Ward: 05-17-16; 05-26-16

REVIEWED: Administrator: ; Corp. Counsel: ; Finance Director: 

RESOLUTION NO. 2016_____

Authorizing a Grant Application to the DNR to Offset the Costs of Purchase and Development of 5.7 Acres of Land Adjoining the Garman Nature Preserve.

Executive Summary

In 2003, Mrs. Theo Garman donated to Jefferson County 40 wooded acres of land located in Jefferson County, City of Waterloo, in memory of her late husband, Dr. J. S. Garman. This land has been designated as the Dr. J. S. Garman Nature Preserve. Mrs. Garman continues to support this preserve with cash donations totaling \$55,000 to date and has been a driving force in keeping it a sacred place where anyone can enjoy nature and show respect for Native American culture. In her efforts to continue her support of this preserve, Mrs. Garman has donated \$28,000 toward the cost of purchasing a 5.7 acre parcel of land offered for sale at \$56,000, which adjoins the nature preserve. In addition, Charles and Joni Crave have donated \$14,000 toward the cost of purchasing this 5.7 acre parcel. The County has accepted these donations by adopting Resolution No. 2015-57. The remaining portion of the purchase price, \$14,000, is being paid for by Jefferson County through a 3 year interest free loan from Charles and Joni Crave. This resolution authorizes Jefferson County to submit a grant application to the State of Wisconsin Department of Natural Resources seeking funding to pay for the outstanding loan and to pay for additional costs associated with acquisition of this 5.7 acre parcel.

WHEREAS, Jefferson County is interested in preserving land to preserve natural resources for public use and conservation, to expand the parks system for environmental and land use benefits and the health and enjoyment of Jefferson County residents, and

WHEREAS, in 2003, Mrs. Theo Garman donated to Jefferson County 40 wooded acres of land located in Jefferson County, City of Waterloo, in memory of her late husband, Dr. J. S. Garman which has been designated as the Dr. J. S. Garman Nature Preserve, and

WHEREAS, a 5.7 acre parcel of land adjoining the nature preserve was purchased in 2015 by Jefferson County at a cost of \$56,000, and

WHEREAS, Mrs. Garman donated \$28,000 toward the cost of purchasing this 5.7 acre parcel of land, and

WHEREAS, Charles and Joni Crave donated \$14,000 toward the cost of purchasing this 5.7 acre parcel of land, and

WHEREAS, the remaining portion of the purchase price, \$14,000, was paid for by Jefferson County through a 3 year interest free loan from Charles and Joni Crave, and

WHEREAS, the Jefferson County Administrator recommends seeking grant funds from the State of Wisconsin Department of Natural Resources through the Stewardship Program to offset a

portion of the costs of purchase and development of this 5.7 acres of land adjoining the Garman Nature Preserve.

NOW, THEREFORE, BE IT RESOLVED that the Jefferson County Parks Department is authorized to apply for grants from the State of Wisconsin Department of Natural Resources to offset the costs of purchase and development of 5.7 acres of land adjoining the Garman Nature Preserve.

BE IT FURTHER RESOLVED that if grant funds are awarded, the County Administrator is hereby authorized to accept said grant funds on behalf of Jefferson County and enter into contracts to comply with and fulfill the grant requirements.

BE IT FURTHER RESOLVED that Jefferson County will comply with state or federal rules for the programs to be open to the general public during reasonable hours consistent with this type of land and will obtain from the State of Wisconsin Department of Natural Resources approval in writing before any change is made in its use.

Fiscal Note: Any grant funds received from this application will reduce tax levy funds currently allocated, and which would be allocated in future year's budgets, for the repayment of the outstanding loan and to pay for additional costs associated with acquisition of this 5.7 acre parcel.

Ayes_____ Noes_____ Abstain_____ Absent_____ Vacant_____

Requested by
County Administrator

06-14-16

J. Blair Ward: 06-13-16

REVIEWED: Administrator ; Corp. Counsel ; Finance Director 

JEFFERSON COUNTY, WISCONSIN

**AUDITOR'S COMMUNICATION TO THE
COUNTY BOARD**

For the Year Ended
December 31, 2015



JEFFERSON COUNTY, WISCONSIN
AUDITOR'S COMMUNICATION TO THE COUNTY BOARD
TABLE OF CONTENTS

	<u>Page(s)</u>
COVER LETTER	1
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE	2-6
• Passed Adjustments	
• Adjusting Journal Entries	
MANAGEMENT LETTER	7-14
FIRM PROFILE	



262.754.9400 // www.sikich.com

13400 Bishops Lane, Suite 300
Brookfield, Wisconsin 53005

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

June 2, 2016

To the Board of Supervisors
Members of the County Board
Jefferson County
311 S Center Ave
Jefferson, Wisconsin 53549

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you on November 30, 2015.

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the County, are enclosed within this document.

This information is intended solely for the use of the Board of Supervisors and management of Jefferson County and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sikich LLP'.

Sikich LLP
By: Daniel A. Berg, CPA
Partner



262.754.9400 // www.sikich.com

13400 Bishops Lane, Suite 300
Brookfield, Wisconsin 53005

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

June 2, 2016

To the Board of Supervisors
Members of the County Board
Jefferson County
Jefferson, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of Jefferson County, Wisconsin (the County) for the year ended December 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated November 30, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. During the year ended December 31, 2015, the County implemented GASB Statement Nos. 68, *Accounting and Financial Reporting for Pensions*, and 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which change the disclosures regarding pension information and also requires the net pension asset or liability to be shown on the statement of net position. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

With the implementation of GASB Statement Nos. 68 and 71, the estimated net pension asset was brought onto the statements of net position through a prior period adjustment. The net pension asset is determined through a series of actuarial calculations, and the County's proportionate share of the net pension asset is determined by their share of contributions into the plan. Information regarding the actuarial estimates used is determining the County's net pension

asset and the County's proportionate share of the net pension asset is disclosed in Note III.D. to the financial statements and the required supplementary information which accompanies the financial statements. We noted no other sensitive estimates affecting the County's financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected any such misstatements. We noted one such correction for a donated conservation easement in the amount of \$45,000. Further, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated June 2, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and the other required supplementary information, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principle generally accepted in the United State of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on Introductory Section and the Statistical Section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Supervisors and management of the Jefferson County, Wisconsin and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Sikich LLP

By: Daniel A. Berg, CPA

Partner

Jefferson County**Year End: December 31, 2015****Adjusting Journal Entries****Date: 1/1/2015 To 12/31/2015**

Number	Date	Name	Account No	Amount
AJE-01	12/31/2015	LAND-EASEMENTS	900-182505-900- 900G	45,000.00
AJE-01	12/31/2015	DONATED CONSERVATION EASEMENTS	900-SIKICH-DCE-900 900G	(45,000.00)

Record donated conservation easement

PASSED ADJUSTMENTS

Jefferson County, Wisconsin GENERAL, HUMAN SERVICES
AND HEALTH SERVICES FUND
(NONMAJOR)
(OPINION UNITS)

For the Year Ended 12/31/2015

All entries posted as Debit (Credit)

Description	Assets	(Liabilities)	(Retained Earnings/Fund Balance)	(Profit) Loss
GENERAL FUND				
Remove effect of Workers Compensation Incurred but not Reported liability	\$ -	\$ 179,228	\$ -	\$ (179,228)
Remove effect of Dental Incurred but not Reported liability		20,000		(20,000)
HUMAN SERVICES FUND				
Remove effect of Workers Compensation Incurred but not Reported liability	-	29,578	-	(29,578)
HEALTH SERVICES FUND (NONMAJOR)				
Remove effect of Workers Compensation Incurred but not Reported liability	-	13,881	-	(13,881)
TOTAL GOVERNMENTAL ACTIVITIES	\$ -	\$ 242,687	\$ -	\$ (242,687)

JEFFERSON COUNTY, WISCONSIN

MANAGEMENT LETTER

December 31, 2015



262.754.9400 // www.sikich.com

13400 Bishops Lane, Suite 300
Brookfield, Wisconsin 53005

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

To the Board of Supervisors
Members of the County Board
Jefferson County
Jefferson, Wisconsin

In planning and performing our audit of the governmental activities, the business-type activity, the each major fund and the aggregate remaining fund information of Jefferson County, Wisconsin (the County) as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the attachment to this letter as Significant Deficiencies 1-3 to be significant deficiencies.

The County's written responses to the significant deficiencies identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the Board of Supervisors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. We are available to discuss any of these comments and to assist in their implementation if requested.

A handwritten signature in dark ink, appearing to read "L. J. P.", is located in the upper right portion of the page.

Naperville, Illinois
June 2, 2016

SIGNIFICANT DEFICIENCIES

1. Access Rights in the Financial Accounting Software

Internal controls should be designed so that individuals with access rights to initiate transactions in the County's financial accounting system do not also have access to approve their own transactions and do not have access to the County's assets. During our audit we reviewed access rights in the County's financial accounting software. We noted several individuals with access rights that conflicted with their job duties. For example, we noted several individuals in the Finance department have access to set up new vendors, enter invoices, approve invoices, and generate payments. We noted that individuals in the Highway department have access to enter invoices and journal entries on behalf of other departments. Finally, we noted that individuals in the Highway department can enter and post their own journal entries without a separate independent review or approval.

The County is about to purchase and implement a new financial accounting software package. During the implementation process, we recommend that the County review all of its business processes, paying special attention to the job duties of the individuals that have access to the system and implement internal controls using the establishment of user rights in the accounting system that are consistent with their job duties. The County should avoid granting unnecessary access rights to individuals and also should not give individuals access rights in the system that conflict with their ability to access the County's assets. Finally, full administrative access should continue to be restricted to an individual that does not have access to the County's assets, such as an individual in the Technology or Administrative department.

Management Response

With the new financial system that will be implemented in the near future we will be looking at better approval process and segregation of duties. We currently are implementing approval processes for journal entries at the Highway Department.

I also would like to point out that it was discussed with the Auditors that all invoices are approved by committees either through a check report or the actual invoices. Human Services and Highway department checks are processed at the Finance Department and the actual payment report and/or invoices are reviewed. The rest of the County departments, the vouchers are submitted by the departments and approved by the Department Head or designee. All those vouchers are reviewed by the Finance Director and then the payment report and/or invoices are all reviewed by the Finance Committee for payment. Checks over \$5,000 are signed and reviewed by the County Clerk or County Treasurer.

SIGNIFICANT DEFICIENCIES (continued)

2. Amounts Recorded for Incurred but not Reported Claims in the Governmental Funds

GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in the Governmental Fund Financial Statements* was issued in March of 2000 and sets forth the requirements for when it is proper to record claims liabilities in the governmental funds. Specifically, the guidance requires liabilities for claims and judgments to be recorded in the governmental funds when they are normally expected to be liquidated with expendable available financial resources and should be recognized as governmental fund liabilities to the extent that they have "matured", or have become due and payable as of the date of the financial statements. The unmatured liabilities do not constitute an outflow of current financial resources or result in the recognition of an additional governmental fund liability or expenditure.

During our review of the County's liabilities, we noted that the County is accruing a liability for claims that have been incurred but not yet reported to the County's third party administrator for workers compensation and dental claims. Since these claims are not due and payable as of the financial statement date, they should not be reported as liabilities in the governmental funds.

We recommend that the County remove the liabilities and corresponding expenditures from the governmental funds.

Management Response

Management has discussed this and made the determination to correct in fiscal year 2016.

DEFICIENCIES

1. Investment Income

In fund financial statements, it is presumed that investment income, including interest earned on cash deposits, will be reported in the same fund as the underlying investments, unless there are legal provisions or a board-adopted policy that states otherwise. Currently, the County records almost all of its investment earnings in the general fund. Conversely, funds that are in an overdraft position currently do not pay interest to the general fund.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, we recommend that the County allocate interest and investment income to the funds that participate in the internally pooled cash and investments.

Management Response

The County does allocate interest to some of the funds. The remaining funds however are not. The County's revenue policy states that investment income is used to reduce reliance on the property tax levy and with allocation of interest it would just be changing the amount of levy support from one fund to another. The interest revenue amount to be allocated to other funds is immaterial. Management will discuss if we want to change this process due to materiality.

ADVISORY COMMENTS

1. Financial Software

The current financial software does not allow department heads and managers to monitor their budget to actual activity on a current or real time basis. They are required to review financial data on a monthly basis after it is prepared by the finance department. This delay in receiving and analyzing the financial activity for each department hampers their ability to closely monitor purchasing, expenditures and related budgetary and planning concerns.

Management Response

The County is about to purchase and implement a new financial accounting software package.

OTHER COMMENTS

1. Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued a number of pronouncements that may impact the County in the future.

GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, which provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments and replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The statement builds upon the existing framework for financial reports of defined benefit OPEB plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement No. 74 enhances note disclosures and RSI for both defined benefit and defined contribution OPEB plans. Statement No. 74 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions in Statement No. 74 are effective for OPEB plan or sponsoring employer financial statements for periods beginning after June 15, 2016.

OTHER COMMENTS

1. Future Accounting Pronouncements (Continued)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as they relate to governments that provide benefits through OPEB plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 75 requires governments providing defined benefit OPEB to recognize their long-term obligation for OPEB as a liability for the first time, and to more comprehensively and comparably measure the annual costs of OPEB benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, reduces the generally accepted accounting principles (GAAP) hierarchy to two categories of authoritative GAAP: officially established accounting principles - GASB Statements (Category A) and GASB Technical Bulletins; GASB Implementation Guides; and literature of the American Institute of Certified Public Accountants cleared by the GASB (Category B). Statement No. 76 also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Statement No. 76 is applicable for periods beginning after June 15, 2015. Earlier application is permitted.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and reduce the reporting government's tax revenues. The requirements of this statement are effective for periods beginning after December 15, 2015.

GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*, amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state and local governments through a cost-sharing multiple-employer defined benefit pension plan under certain circumstances. Statement No. 78 is effective for financial statements for periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*, improves financial reporting by clarifying financial statement presentation requirements for certain component units. The Statement amends requirements in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. Statement No. 71 is effective for periods beginning after June 15, 2016.

OTHER COMMENTS

1. Future Accounting Pronouncements (Continued)

GASB Statement No. 81, *Irrevocable Split-interest Agreements*, improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for periods beginning after December 15, 2016. Earlier application is encouraged.

GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*, addresses issues regarding presentation of payroll-related measures in RSI, the selection of assumptions and the treatment of deviations, and the classification of payments made by employers to satisfy employee contribution requirements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2016, except for paragraph 7, which is effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

Sikich Snapshot

Organization

Sikich is a dynamic professional services firm specializing in accounting, technology, investment banking* and advisory services**. Founded in 1982, Sikich now ranks as one of the country's Top 35 Certified Public Accounting firms and is among the top 1 percent of all enterprise resource planning solution partners in the world. From corporations and not-for-profits to state and local governments, Sikich clients can use a broad spectrum of services and products that help them reach long-term, strategic goals.

Industries

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

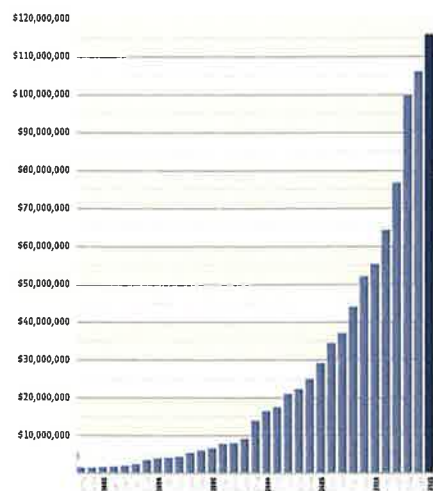
- Agriculture
- Construction & Real Estate
- Energy
- Government
- Manufacturing & Distribution
- Not-for-Profit

Statistics

2015 Revenues	\$116.6M
Total Partners	93
Total Employees	607
Total Personnel	700

Personnel count as of April 6, 2016

Sikich Total Revenues



Awards

- Vault Accounting Top Ranked 2017
- *Accounting Today* Top 100 Firms: ranked 31st nationally, 2016
- *Accounting Today* Regional Leaders – Top Firms: Great Lakes: ranked 4th, 2016
- *Milwaukee Business Journal* Largest Management Consulting Firms: ranked 10th, 2016
- *Milwaukee Business Journal* Largest Milwaukee-Area Accounting Firms: ranked 11th, 2016
- *WorldatWork* Work-Life 2016 Seal of Distinction
- Best Places to Work in Illinois, 2016
- Best Places to Work in Indiana, 2016
- Milwaukee's 101 Best and Brightest Companies to Work For®, 2016
- WICPA Excellence Award - Public Service Award (Firm), 2016
- *INSIDE Public Accounting* Top 50 Largest Accounting Firms: ranked 31st nationally, 2015
- *Inc. 5000*: ranked #4344, 2015
- *Crain's List* Chicago's Largest Privately Held Companies: ranked #250, 2015
- *Accounting Today* Top 100 Value Added Reseller: ranked 7th, 2015
- Bob Scott's Top 100 Value Added Reseller: ranked 9th, 2015
- National Best & Brightest Companies to Work For®, 2015
- Chicago's 101 Best and Brightest Companies to Work For®, 2015
- National Best & Brightest in Wellness, 2015
- *Chicago Tribune's* Top Workplaces, 2015
- Edge Award - 2015 Community Service
- Microsoft Dynamics Inner Circle and President's Club, 2014
- *Bob Scott's Insights* Value Added Reseller Stars, 2014

SERVICES

- Accounting & Assurance
- Business Valuation
- Dispute Advisory
- ERP & CRM Software
- Human Resources Consulting
- Insurance Services
- Investment Banking & Corporate Finance
- IT Services
- Marketing & Public Relations
- Retirement Planning
- Supply Chain
- Tax Planning
- Wealth Management



877.279.1900 | info@sikich.com
www.sikich.com

Certifications

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the American Institute of Certified Public Accountants' Governmental Audit Quality Center and the Employee Benefit Plan Audit Quality Center. We adhere to the strict requirements of membership which assure we meet the highest standards of audit quality. In 2014, Sikich LLP received its 9th consecutive unmodified ("pass") peer review report, the highest level of recognition conferred upon a public accounting firm for its quality control systems.



Microsoft Partner

Gold Enterprise Resource Planning

Microsoft Partner

Sikich has earned a Microsoft ERP Gold competency; ranked among the top 1 percent of all Microsoft Dynamics partners worldwide; and carries the following certifications:

- Microsoft Small Business Specialist
- MCP (Microsoft Certified Professional)
- MCSE (Microsoft Certified System Engineer)
- CCNA (Cisco Certified Network Associate)
- CCDA (Certified Cisco Design Associate)
- CCEA (Citrix Certified Enterprise Administrator)
- MRMS (Microsoft Retail Management Systems)
- CISA (Certified Information Systems Auditor)
- CNE (Certified Novell Engineer)
- MS CSM (Microsoft Customer Service Manager)
- MS CAE (Microsoft Certified Account Executive)
- MCDBA (Microsoft Certified Database Admin.)



leading edge alliance

innovation • quality • excellence

Sikich is proud to be part of the Leading Edge Alliance

The Leading Edge Alliance (LEA) is the second largest international association of independent accounting firms.* The LEA is an international professional association of independently-owned accounting and consulting firms. Members are top quality firms who share an entrepreneurial spirit and a drive to be the premier provider of professional services in their chosen markets. The Alliance provides Sikich with an unbeatable combination: the comprehensive size and scope of a large multinational company while offering their clients the continuity, consistency, and quality service of a local firm.

**International Accounting Bulletin, 2011*



PrimeGlobal

Sikich is proud to be part of PrimeGlobal

PrimeGlobal is one of the top five largest associations of independent accounting firms in the world, providing a wide range of tools and resources to help member firms furnish superior accounting, auditing, and management services to clients around the globe.

Securities are offered through Sikich Corporate Finance LLC, a registered broker/dealer with the Securities and Exchange Commission and a member of FINRA and SIPC.

Advisory services offered through Sikich Financial, a Registered Investment Advisor. Securities offered through Triad Advisors, Member FINRA and SIPC. Triad Advisors and Sikich Financial are not affiliated.

LOCATIONS:

Corporate Office

1415 W. Diehl Rd., Suite 400
Naperville, IL 60563
(630) 566-8400

Boston, MA

(508) 485-5588

Chicago – Monroe Street

(312) 541-9300

Chicago – Wacker Drive

(312) 648-6666

Decatur, IL

(217) 423-6000

Denver, CO

(720) 200-0142

Houston, TX

(832) 831-3540

Indianapolis, IN

(317) 842-4466

Milwaukee, WI

(262) 754-9400

Rockford, IL

(815) 282-6565

Springfield, IL

(217) 793-3363

St. Louis, MO

(314) 275-7277

CONNECT WITH US:



www.sikich.com/blog



877.279.1900 | info@sikich.com

www.sikich.com

Wisconsin Counties Utility Tax Association

2015 report

Walt Christensen, outgoing WCUTA Board Member, 6/14/2016

The Wisconsin Counties Utility Tax Association is a 501c3 organization of member Wisconsin Counties that have electric power generation facilities in their jurisdiction. Its function is to inform, coordinate and lobby the state on behalf of the 19 member counties regarding State of Wisconsin payments in lieu of property taxes. Jefferson County paid \$1372.24 in dues to WCUTA in 2015. Meetings are called as needed, usually two a year, with an annual meeting in May.

About fifty years ago, The State of Wisconsin determined that counties did not have the needed expertise to assess property value of the state's electrical generating plants. That function was taken over by the WI Department of Revenue. In the place of property taxes, counties receive annual payments based of the nameplate generating capacity of the plants in their respective county.

Jefferson County has one such plant, near Whitewater. The County received \$914,827.15 in 2015 and is projected to receive \$916,199.39 in 2016, based on the formula.

Over the years there have been numerous challenges and some changes to the formula, some of which have resulted in reduced payments. Currently, the State of Wisconsin keeps about 83% of property tax collections, and distributes the remaining 17% to municipalities; counties, cities and towns. In 2015, a group of towns petitioned the legislature for relief regarding expenses they incur when a wind generating plant is constructed in a town. Rep. Jeremy Thiesfeldt responded with a bill, (AB 490), that would shift some of the Counties' portion of payment in lieu of taxes to such towns as compensation for their hosting a wind generator. The Wisconsin Counties Utility Tax Association presented Rep Thiesfeldt with information, and made the case that this would be unfair to member counties. On January 24, 2016 at an Assembly Energy and Utility Committee public hearing on the bill, three Association Board members, Chuck Hoffman (Manitowoc), Larry Wilkom (Chippewa) and I testified against the Bill. The points I made were that: 1) Towns are concerned that there will be a loss of tax revenue when a generator is sited, if they are correct, then counties would be affected doubly, because counties rely on tax revenue too, and would also then be giving up some of their share of payments in lieu of taxes. 2) Reduced county revenues can potentially affect all county programs and so, affect all county residents, 3) if we have concerns about renewable energy generation revenue, then more thinking is needed on the subject because coal is on the way out, and renewable sources are on the ascendency, 4) Finally, this bill AB 490, has the unfortunate effect of pitting counties against towns when historically they have been good partners in local government.

Bill AB490 was subsequently withdrawn from consideration. Representative Thiesfeldt told WCUTA executive director Alice O'Connor, that when he realized the lopsided amount that the state was keeping compared to the municipalities' portion, he agreed that the shift from counties to towns was not a good solution. It is expected that a similar bill will be floated in the next budget cycle.

This concludes my report. On a personal note, I was unsure about what I was getting into when I was assigned to this board. Now, I am very happy to have served on WCUTA because I now know how valuable this organization is to Jefferson County. In addition, there is great benefit in meeting with county supervisors from around the state, learning from others and sharing thoughts on problems and solutions.

Sincerely,

Walt Christensen

Lake Ripley Management District

Jefferson County Government Board appointee: Walt Christensen

Report to the Jefferson County Board 6/13/2016

From the Lake Ripley Watershed Plan:

OUR MISSION The Lake Ripley Management District seeks to preserve and enhance Lake Ripley's water quality, its fish and wildlife communities, and its overall ecological health, while ensuring public access and use of the lake that is safe, fair and practical.

LRMD Board members include: John Molinaro – chair, Mike Sabella- treasurer, Jane Jacobsen-Brown- secretary, Georgia Gomez-Ibanez, Craig Kempel, Jimmy DeGidio and Walt Christensen.

The LRMD Board meets on the third Saturday morning of most months to conduct business that supports the mission statement. Major efforts that protect Lake Ripley water quality are: Landowner Cost-Share program, aquatic plant harvesting and improvement of the Lake District Preserve.

The Landowner Cost-Share Program supports Lake District property owner's work to reduce uncontrolled and deleterious runoff into the lake. The greatest damage to lake water quality comes from agricultural and stormwater runoff carrying silt and chemicals into the lake and thus overloading the natural cleaning ability of a lake. Principal offenders are dirt from disturbed land and lawn and farm chemicals, such as phosphorus based fertilizer. The Cost-Share Program incentivizes property owners to initiate Lake protection projects. The Lake District board chooses qualified landowners through an objective, points-based process. The selected participants receive matching funds for projects like shoreline buffers, erosion control and rain gardens, for instance.

The Lake Ripley aquatic plant harvesting work uses a new plant harvester, manned by a crew of two or three employees, to cut and remove invasive lake plants. The plants are loaded onto a dump truck and taken offsite for land composting. This program is permitted and guided by the Wisconsin DNR and state statutes.

The Lake Ripley management District Preserve covers 167 acres consisting of wetlands, restored prairie, and woodlands. This land is managed so as to provide a farm runoff buffer between nearby agricultural lands and to reduce stormwater runoff and soil loss through the establishment of dense, herbaceous, native plant covers on lands adjacent to Lake Ripley's only inlet tributary.

The LRMD board and its manager, Lisa Griffin, work with Jefferson County to improve lake water quality. Patricia Cicero, (Land and Water Conservation Department), provides guidance regarding water issues and JC Zoning department assists with shoreland zoning questions. This close working relationship improves quality of life for all Jefferson County residents.

It has been a pleasure to serve eight years with such a professional and dedicated board.

The following list highlights the LRMD Board's work since 2014.

- Awarded \$68,088.57 from Wisconsin Waterway Commission grant for the purchase of a new Aquarius Weed Harvester and Shore Conveyor (2014).
- Participate in DNR Grant Supported Clean Boats, Clean Waters program to stop the spread of invasive species through boater education (2013-2016)
- Awarded \$ 3,000.00 from WDNR for analysis of Lake Ripley's inlet stream (2013-2014).
- Ripley Rewards Pilot Program encouraged landowners to adopt lake friendly practices- 32 Projects installed including rain gardens, shoreline gardens, downspout diversion, planted native trees, and installed rain barrels (2014)
- Awarded \$7,748.83 with a DNR Rapid Response Grant for the control of a pioneer stand of non-native phragmites 2015.
- Aquatic Plant survey conducted to inventory plant species (2015) as part of ongoing plant management program and permit requirements
- Teamed with WDNR to determine and designate Critical Habitat Areas within Lake Ripley (2015)
- Pontoon Classroom pilot showing High School students methods in monitoring, discussion of watershed and land use impacts, and aquatic plants (2015)
- Awarded \$3,200.00 from the WDNR's Healthy Lakes Program which assists landowners in small scale, lake friendly practices (2016)
- Purple Loosestrife Project partner with WDNR, USFWS, Friends of GHA, Cambridge School District to raise beetles as biocontrol for Purple Loosestrife (2016)
- Restored approximately 270 feet of eroding shoreline through Cost-share program (ongoing)
- Restoration of 167 acre preserve to enhance water quality of inlet stream and lake (ongoing)
- Hiring of seasonal interns to gain experience in watershed and natural resource management (ongoing)
- Continued outreach through quarterly *Ripples* newsletter, press release, news paper articles, and facebook posting (ongoing)
- Lake and Stream Monitoring coordination through interns and volunteers (ongoing)