



# Popular Annual Financial Report

City of Sheboygan, Wisconsin  
For the Fiscal Year Ended  
December 31, 2017





Dear City of Sheboygan Residents and Taxpayers,

I am pleased to present the Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2017. This report is intended to provide transparency and accountability both financial and non-financial of city information.

By reporting data in this way, it will enhance the residents' and taxpayers' understanding of city finances. The sharing of financial information is consistent with the highest standards of government financial reporting and the best practices to achieve financial transparency.

The PAFR provides a summary of the financial activities of the city. Throughout the year, the city staff works on budgets, audits, financial policies, financial review, financial forecasts and financial management to better serve the residents and taxpayers. The Comprehensive Annual Financial Report (CAFR), which contains the full financial detail, is available on the City of Sheboygan website, or a copy may be viewed at City Hall.

Throughout the year, I welcome you to stay informed by:

- Accessing our website at [www.sheboyganwi.gov](http://www.sheboyganwi.gov)
- Joining [www.nextdoor.com](http://www.nextdoor.com)
- Following us on Twitter and Facebook
- Subscribing to our e-newsletter: "Sheboygan Insider"
- Visiting City Hall to obtain a paper copy of our documents

Sincerely,

Darrell Hofland  
City Administrator

**OFFICE OF THE  
CITY ADMINISTRATOR**

CITY HALL  
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SHEBOYGAN, WI 53081

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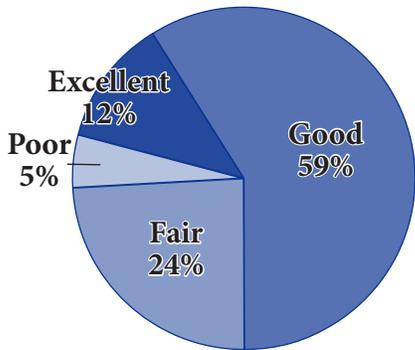
[www.sheboyganwi.gov](http://www.sheboyganwi.gov)

## Residents give high marks to quality of life

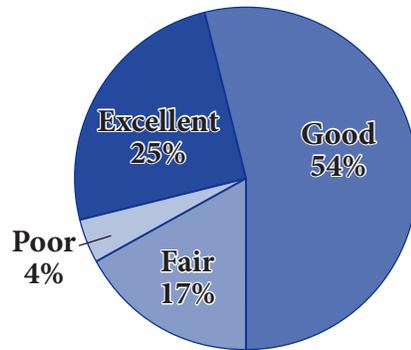
In August, the City of Sheboygan analyzed results of the community survey. The survey touches on a wide range of topics and issues faced by the city. The results serve as an important device to provide a snapshot of the thoughts and opinions of Sheboygan residents. The response feedback is used to determine the city's effectiveness in providing services and meeting the goals established in the Strategic Plan. The comments serve as necessary tools to improve and advance the city's initiatives.



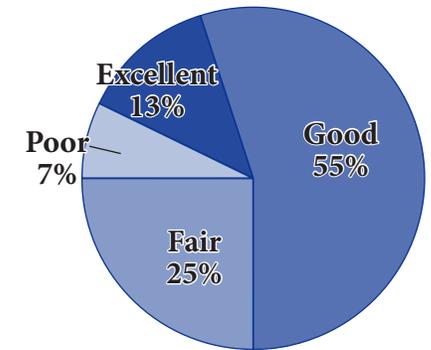
Which of the following best describes your opinion on the quality of life in the City of Sheboygan?



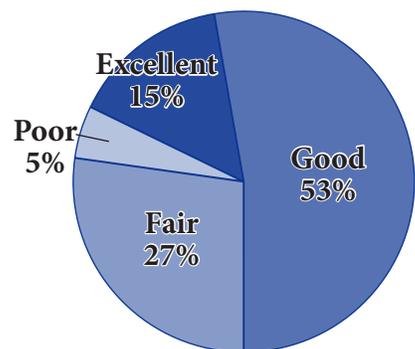
How would you rate the quality of our parks in the City of Sheboygan?



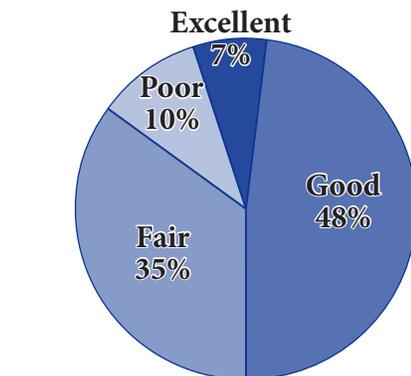
How would you rate the job that the City of Sheboygan has done in attracting and keeping businesses in Sheboygan?



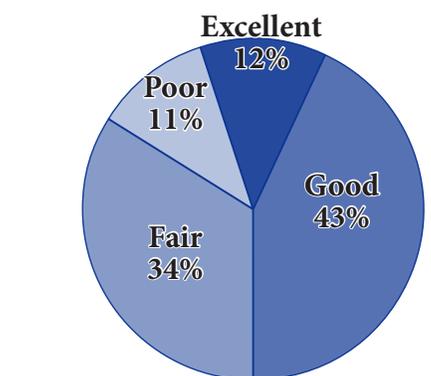
What rating would you give the City for their community events to provide support for the neighborhoods?



How would you rate the performance of the City of Sheboygan relative to delivering services efficiently?



In your opinion, what rating would you give the City of Sheboygan relative to keeping citizens informed?



## Who we are: a snapshot of Sheboygan

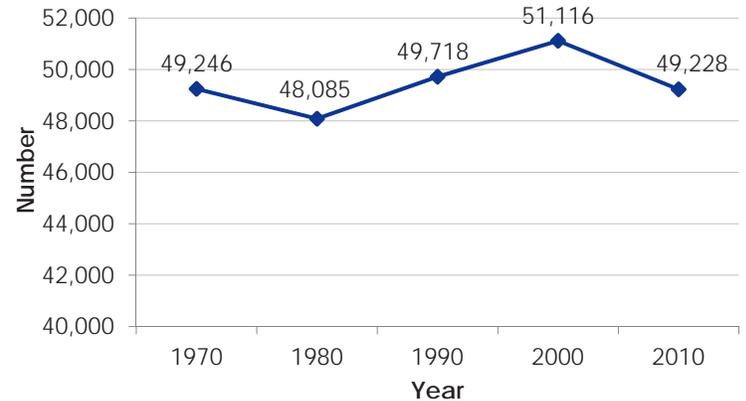
The City of Sheboygan boasts a long, rich history as a leader in Wisconsin's manufacturing industry. Situated at the mouth of the Sheboygan River on the western shore of Lake Michigan, the breathtaking views from Sheboygan's shoreline are some of the best our state has to offer. The City of Sheboygan strives to be a family-oriented and prosperous community with a wide variety of housing, business, cultural and recreational opportunities in safe and attractive neighborhoods. City staff is dedicated to providing residents, the business community and visitors with fiscally-responsible municipal services in an effective and responsive manner to meet the needs of our diverse and thriving community. We are Sheboygan – the Spirit on the Lake.

Census – 2010	Number	Percent
Total Population	49,228	
Total Housing Units	22,339	
Median Age (years)	41	
Female Population	24,860	50.50%
Male Population	24,368	49.50%



North Point Beach – Lake Michigan

### Sheboygan's Population



Census by Race – 2010	Number	Percent
White	39,014	79.28%
Hispanic/Latino	4,873	9.90%
Asian	4,430	9.00%
Black/African American	886	1.76%
American Indian/Alaskan Native	25	0.05%

Ten Largest Employers – 2017	Number of Employees
Aurora Medical Group	1,375
Nemak	1,259
Sheboygan Area School District	1,257
Acuity Mutual Insurance Company	1,255
Rockline Industries	859
Sheboygan County	833
The Vollrath Company, LLC	527
American Orthodontics	502
Piggly Wiggly Midwest, LLC	500
City of Sheboygan	448

Ten Largest Property Taxpayers – 2017	Value
Acuity Mutual Insurance Company	\$126,554,600
Aurora Medical Group	\$21,268,700
PJR Properties, LLC	\$14,806,200
Sheboygan Acquisitions, LLC	\$13,539,000
Wal-Mart Stores Inc.	\$13,265,000
Meijer Stores LP	\$10,670,800
Piggly Wiggly Midwest, LLC	\$9,162,680
Stearns Investments 15, LLC	\$9,159,800
Sheboyganfest Holding LLC	\$8,499,200
Roundy's Supermarkets	\$7,187,000

## Financial Review of Fiscal Year 2017

The financial review section features financial information adapted from the City of Sheboygan Comprehensive Annual Financial Report (CAFR) for the fiscal year end December 31, 2017. The CAFR is produced by the city's Finance Department and contains detailed information regarding the city's financial performance. The CAFR is presented in accordance with generally accepted accounting principles and is audited by the firm of Schenck SC. GAAP is the acronym referring to Generally Accepted Accounting Principles used as the framework for financial accounting in business. A copy of the complete CAFR may be viewed at City Hall or at [www.sheboyganwi.gov](http://www.sheboyganwi.gov).

This PAFR report presents the financial information for the city in a summary format. This information is unaudited and presented on a non-GAAP basis. Non-GAAP means that the statements do not comply with generally accepted accounting principles and include summarizations and a combination of accounting data that would not be allowed in GAAP. It is the city's goal to communicate the financial operations of the City of Sheboygan in an understandable report.

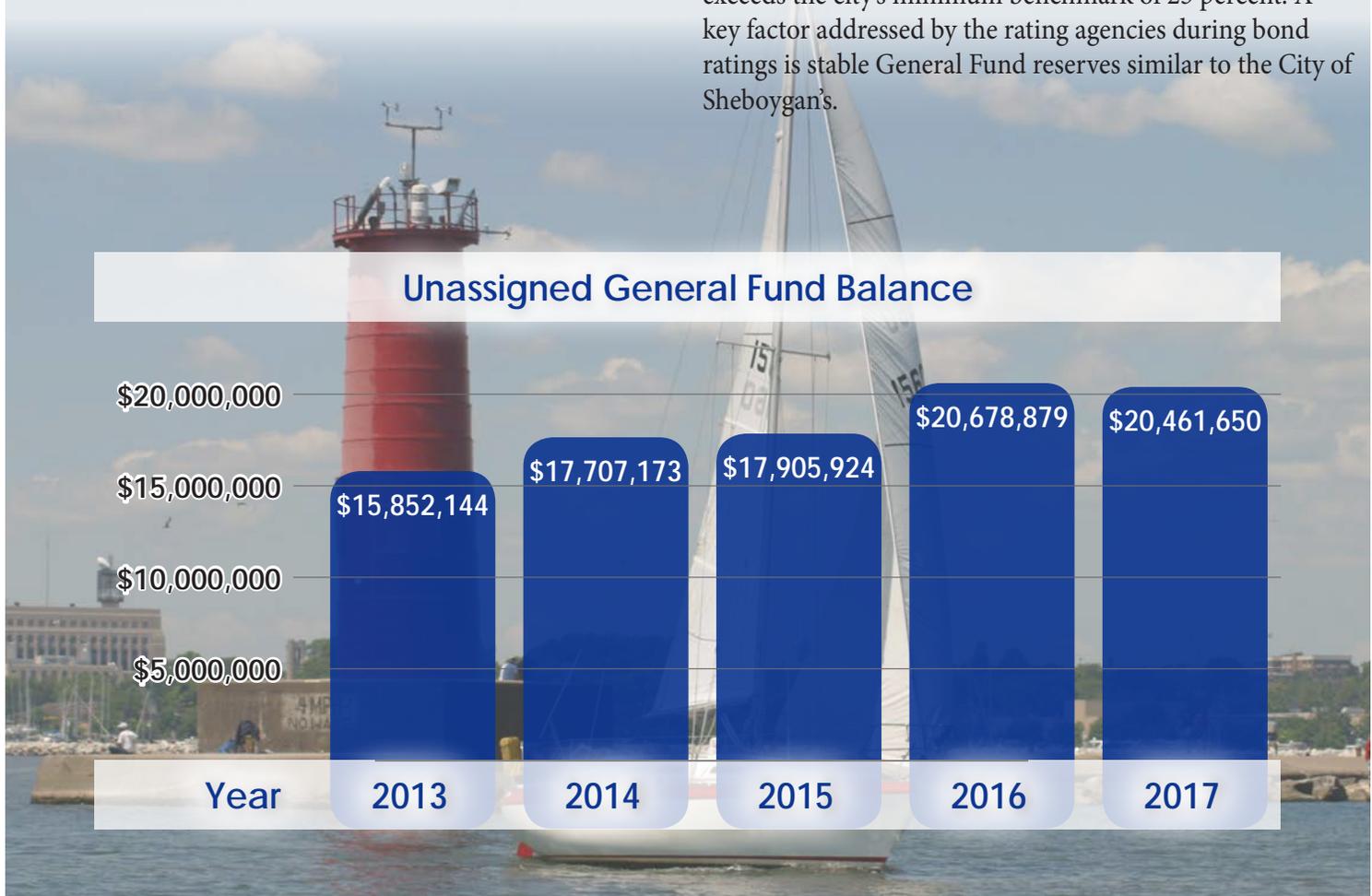
## General Fund

The focus of this section is the General Fund. The General Fund is the primary operating fund of the city and accounts for revenues and expenditures that are not required to be accounted for in other funds. The principle sources are property taxes and state aids. All departments are financed through this fund with public safety and public works as the largest expenditures.

### Fund Balance of the General Fund

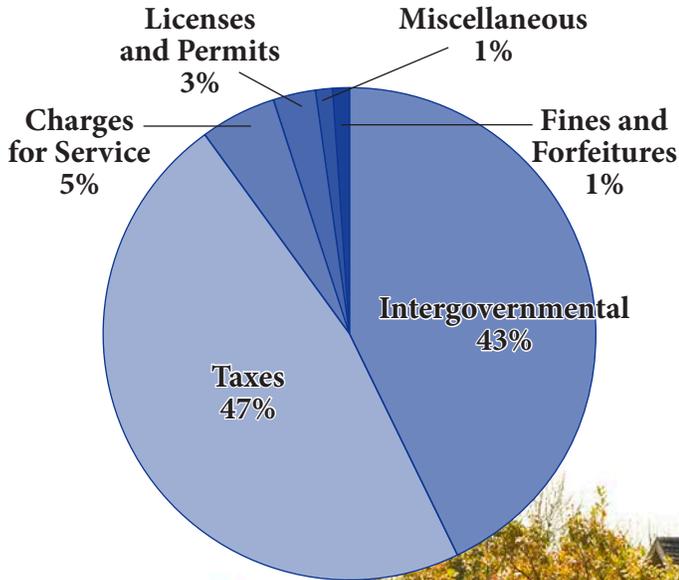
Fund Balance is the difference between assets (what the city owns) and liabilities (what the city owes). At the fiscal year-end of 2017, the unassigned General Fund balance was \$20,461,650 or 68 percent of 2017 expenditures. Monies are allocated each year in the city budget to various departments, programs and activities. However, if those monies have not been expended at the end of the fiscal year, they automatically revert to the General Fund's balance rather than being carried forward as a departmental surplus.

This chart depicts a five year history of the unassigned fund balance of the General Fund. In each year, the fund balance exceeds the city's minimum benchmark of 25 percent. A key factor addressed by the rating agencies during bond ratings is stable General Fund reserves similar to the City of Sheboygan's.



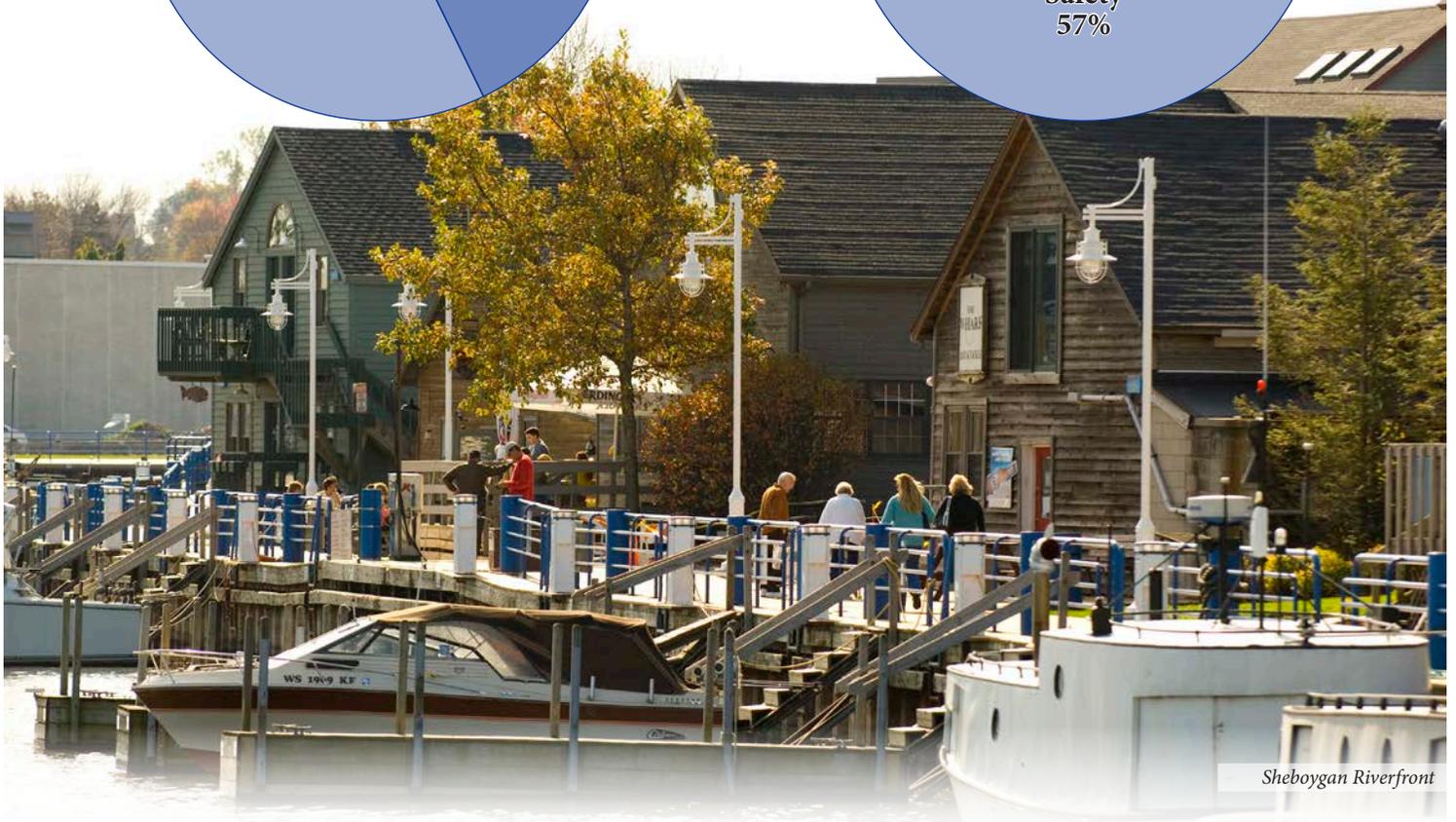
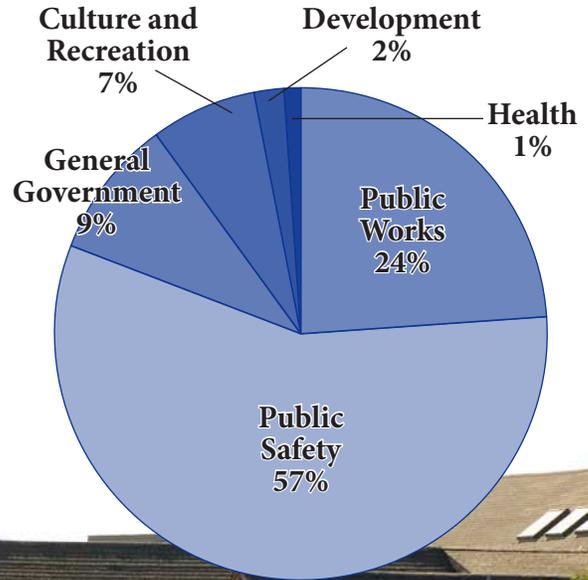
## General Fund Revenues

The General Fund revenues for 2017 totaled \$33,665,268. This is an increase of \$538,472 from 2016. The greatest source of revenue is taxes at 47 percent.



## General Fund Expenditures

The General Fund expenditures for 2017 totaled \$35,104,909. This is a decrease of \$1,960,948 from 2016. The largest expenditure is 57 percent for Public Safety.



Sheboygan Riverfront

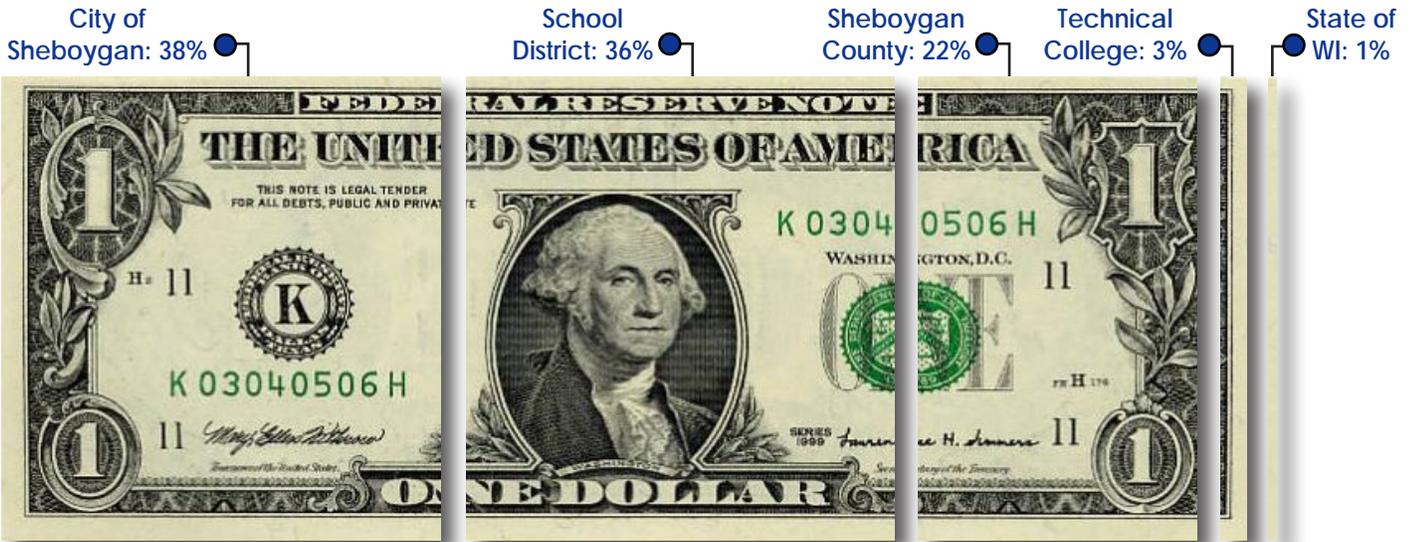
## Unspent General Fund Expenditures

The City of Sheboygan strives to manage the General Fund budget in the most fiscally responsible manner possible. The benchmark percentage for the amount of unspent General Fund expenditures is a minimum 3.7 percent. This benchmark has been exceeded in four of the past five years.

General Fund Expenditures	2013	2014	2015	2016	2017
Budget	\$35,699,628	\$37,171,853	\$37,070,049	\$39,367,380	\$36,589,087
Actual	\$33,814,401	\$35,859,473	\$34,348,224	\$37,065,848	\$35,104,909
Unspent	\$1,885,227	\$1,312,380	\$2,721,825	\$2,301,532	\$1,484,178
Percentage	5.28%	3.53%	7.34%	5.85%	4.06%

# Property Taxes

Property taxes are based on the assessed value of property and the tax levy of the tax districts located within the City of Sheboygan. Approximately 38 percent of a property owner’s tax bill stays in the city. The remaining 62 percent is transferred to following tax districts: Sheboygan County, Sheboygan Area School District, Kohler School District, Lakeshore Technical College, and the State of Wisconsin.



## Where do my City property tax dollars go?

These costs are based on an assessed home value of **\$108,927** that pays **\$1,062** for City of Sheboygan services. The figures are based on the 2018 Budget adopted by the city and the portion of the budget supported by property taxes net of other sources of revenue.

<b>Police Protection</b>	Total department of 103.4 personnel includes 83 sworn police officers. Activities include traffic enforcement, crime investigation, education, programs, special events planning, and safety and emergency management.	<b>\$288</b>
<b>Fire Protection &amp; Emergency Medical Services</b>	Total department of 74.5 personnel of which 73 are fire fighters and paramedics. Activities include fire prevention, fire suppression, emergency medical services, and ambulance.	<b>\$195</b>
<b>Debt Service</b>	Includes debt payments for prior year capital projects. Types of projects include infrastructure improvements and facility construction and improvements as well as equipment.	<b>\$141</b>
<b>Library Services</b>	Taxpayers fund 75 percent of the annual budget for Mead Public Library. Books, videos, DVDs, internet access, magazines, and programs are provided.	<b>\$103</b>
<b>General Government Administrative Services</b>	Includes all general government administrative services of Mayor, City Administrator, City Clerk, Finance, Human Resources, and City Attorney.	<b>\$131</b>
<b>Culture &amp; Recreation</b>	Oversees programs to meet leisure and recreation needs of the community. The parks crew cares for park shelters, a band shell, 19 playgrounds, two splash pads, an archery range, three beaches, and 36 parks with a total acreage of 705. Park lands have 130 acres of grass to mow. The Senior Activity Center serves nearly 150 participants daily.	<b>\$66</b>
<b>Streets &amp; Sanitation</b>	The streets and sanitation division is the largest division within the Department of Public Works. Street excavation repairs, tarring or crack filling, pothole repair, asphaltting, and concrete work are some of the most common activities. The sanitation division handles the garbage and recycling program, drop-off site, sewer maintenance, and sewer construction.	<b>\$58</b>
<b>Capital Improvement Projects</b>	Street and bridge infrastructure improvements, building improvements at fire stations and Mead Public Library, and a fire engine, motor vehicle equipment, and transit buses.	<b>\$41</b>
<b>Transit Utility</b>	Shoreline Metro services three communities: the City of Sheboygan, Village of Kohler, and City of Sheboygan Falls. Each municipality provides subsidy to the daily fixed route bus services.	<b>\$23</b>
<b>Public Works &amp; Engineering</b>	The public works administration in conjunction with the engineering department provides oversight for design and maintenance of the infrastructure in the city.	<b>\$20</b>
<b>Community Development &amp; Inspection</b>	The Department of City Development encompasses two divisions: Planning & Development and Building Inspection. The department consists of 12 staff positions. Fees from licenses and permits result in greater revenue than expenses of the department.	<b>-\$4</b>

## 2017 accolades received

Over the past year, the city's ongoing commitment to progress has been recognized by several outside agencies and organizations.

- Cities With the Lowest Poverty Rate: Sheboygan ranked #1 with a rate of 5.4% (247wallst.com, October 2017)
- Age Friendly Community: Sheboygan is one of three in Wisconsin (AARP, August 2017)
- Runner Friendly Community (Road Runners Club of America, August 2017)
- Engineering Excellence Award for UV Water Purification Process (American Council of Engineering Consultants, March 2017)
- International City/County Management Association's Certificate of Achievement in Performance Management (icma.org, July 2017)
- Government Finance Officers Association's Distinguished Budget Presentation Award (gfoa.org, 2017)
- 30 Small Towns with the Best Festivals – Bratwurst Days (Top Value Reviews, July 2017)
- America's 25 Most Affordable Housing Markets: Sheboygan ranked #23 (247wallst.com, January 2017)



Breakwater pier and lighthouse

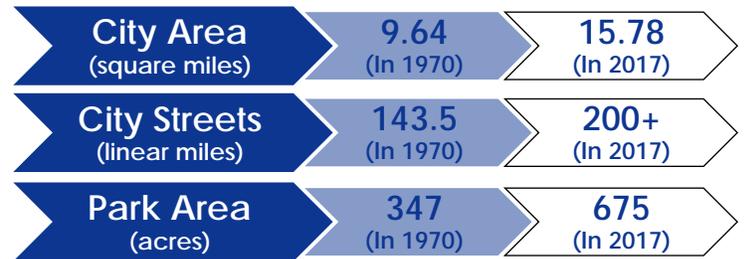
The City of Sheboygan has identified six key focus areas in its recently adopted Strategic Plan that enable the city to move forward to support the mission and vision statements:



## Sheboygan's strategic growth

In 2017, Sheboygan realized significant economic expansion:

- Construction of 10 single family homes, 18 two-family homes, 53 townhomes and 294 apartments
- 14 new restaurants and retail stores within the downtown area
- Annexation of 400 acres to accommodate a planned world-class public golf course
- Completion of \$100 million Acuity Insurance corporate headquarters expansion and 1,280-vehicle parking structure
- Demolition and commercial development planning of the former Memorial Mall site to include 159,253 square feet of retail space for Meijer



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