

Sauk County, Wisconsin
Accounting Annual Report

2012 Mission: To facilitate the effective and efficient use of County resources and to provide a record and accountability for those resources, the Sauk County Accounting Department provides financial expertise and leadership, maintains financial records, satisfies the County's financial obligations, and prepares managerial, financial and agency reports. County Board Supervisors, managers and citizens as well as other governmental units and funding agencies are served through consultation and information dissemination, maintenance of an accounting system according to established accounting principles, and coordination of budget preparation and implementation.

Departmental Program Summary:

The Accounting Department provides the day-to-day verification, processing and accumulation of financial transactions for all County departments. This includes issuing accounts payable checks to our vendors, payroll checks to our employees, and maintenance of a general ledger to track these transactions. The Accounting Department also orchestrates the development of the County's annual budget, assists in planning processes, monitors departments' compliance with the intent of the budget and takes appropriate actions when deviations are found. In addition, the Department performs audits of County departments as necessary, coordinates the County's general financial audit and assists in audits of specific programs. Finally, departmental staff provide financial analysis of actions considered by the County Board.

2012 Goals Review

| OBJECTIVE | WAS THIS OBJECTIVE REACHED IN 2012? |
|--|--|
| | Yes or No (If no, please provide comment) |
| Number of new and recurring audit findings is less than three | Yes, zero new findings, except material weaknesses related to internal accounting controls. |
| The budget document receives the Government Finance Officers Association Distinguished Budget Presentation Award | Yes, the Award was received for the 2012 budget document. |
| One or two new or revised financial policies are adopted based on nationally recognized recommended practices | Yes. Update to 4-96 Capital Improvements approved 5-8-12. Consider update to 5-94 Fund Balance and 15-95 Appropriations (no changes made). |
| Creation of a Comprehensive Annual Financial Report (CAFR) instead of basic financial statements | No. Took on development of the Report of State and Federal Awards. |
| Award of Special Capital Recognition by Government Finance Officers Association for budget document | Special Capital Recognition award not received. Reviewers noted need for more quantifiable operating projected costs and savings. |

Changes / Accomplishments:

Our most prestigious accomplishment in 2012 was receipt of the Government Finance Officers Association Distinguished Budget Presentation Award for the tenth year in a row for the County’s 2012 budget. Receipt of the award acknowledges the County’s commitment to sound financial planning and is a positive factor in credit rating reviews.

Labor relations, payroll and benefits played a larger role in 2012 than in prior years. Multiple iterations of scenarios for the sworn bargaining unit negotiations and arbitration took a considerable amount of time. These efforts were ultimately fruitful as the final offers were fairly similar and the County prevailed with a December decision from the arbitrator. The impacts of 2011 Acts 10 and 32 on Wisconsin Retirement generated extra effort in recording, reconciling, and reporting wages and contributions. Related to that, later than usual distribution from the state of 2013 retirement rates created extra burden in development of budgets. Further, October County Board action regarding non-represented employee pay also generated multiple changes to every nearly department’s budget only a couple days prior to the publication deadline.

The Federal economic development grant project for fiber optics expansion was completed. Federal funding requires more detailed tracking and will necessitate considerably more audit work. Additional time was spent developing processes and monitoring of a CDBG grant programs for housing rehabilitation, emergency assistance funds from the 2008 flooding, flood recovery for small businesses and the revolving loan fund.

Other major projects included continued organization of a group of staff who do billing in health related departments. This cross-departmental group is finding commonalities in procedures and collections and sharing of each other’s talents. Our department also facilitated staff from across multiple departments who play a role in fleet maintenance. Standardized timekeeping systems continue to be explored. The department also assisted in selection of a computer system for the Public Health and related departments. Finally, preparation of the Report on Federal and State awards was completed in-house, as opposed to by the County’s auditors, which removed a significant deficiency that was reported in the County’s audit.

Statistical Summary:

OUTPUT MEASURES

| DESCRIPTION | 2010 ACTUAL | 2011 ACTUAL | 2012 ACTUAL |
|--------------------------------|--------------------|--------------------|--------------------|
| Accounts payable checks issued | 10,636 | 10,032 | 9,291 |
| Payroll checks issued | 5,583, or 28% | 4,719, or 26% | 4,315, or 24% |
| Direct deposit advices issued | 14,047 or 72% | 13,340 or 74% | 13,695 or 76% |
| W2’s issued to employees | 881 | 847 | 813 |

OUTCOME AND EFFICIENCY MEASURES

| DESCRIPTION | 2010 ACTUAL | 2011 ACTUAL | 2012 ACTUAL |
|--|---|---|---|
| Government Finance Officers Association Distinguished Budget Award received with “proficient” or “outstanding” ratings | Yes, for 2010 budget Proficient 60 of 81, 74% Outstanding 19 of 81, 23% | Yes, for 2011 budget (9 th year) Proficient 71 of 81, 88% Outstanding 9 of 81, 11% | Yes, for 2012 budget (10 th year) Proficient 60 of 81, 74% Outstanding 21 of 81, 26% |
| New audit findings reported in the management letter prepared by the County’s external auditors (Note: New audit finding for 2009 actual are from 2008’s audit with results received in 2009.) | Two for 2009 audit, not counting material weaknesses related to SAS 103 to 111 | Zero for 2010 audit, not counting material weaknesses related to SAS 103 to 111 | Zero for 2011 audit, not counting material weakness related to internal accounting controls |
| Preserve and enhance the County’s bond rating as issued by Moody’s | Confirmed at Aa2 6-11-10 (recalibrated from Aa3 to Aa2 4-16-10) | No debt funding or refunding needed, so no changes | No debt funding or refunding needed, so no changes |

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--|--|--|--|----------------------|
| Accounts Payable Checks Issued | 11,725 | 11,233 | 10,636 | 10,032 | 9,291 |
| 1099’s Issued to Vendors at Yearend | 215 | 254 | 258 | 234 | 265 |
| Payroll Checks Issued | 6,467 | 6,234 | 5,583 | 4,719 | 4,315 |
| Direct Deposit Advices Issued | 12,712 | 13,917 | 14,047 | 13,340 | 13,695 |
| W2’s Issued to Employees at Yearend | 889 | 900 | 881 | 847 | 813 |
| Total County Payroll | \$27,208,337 | \$29,182,357 | \$28,822,637 | \$27,364,211 | \$26,717,458 |
| Accounting Staff Full-Time Equivalent | 4.5 | 4.0 | 4.0 | 4.0 | 4.0 |
| Accounting Overtime Hours Paid | 0 | 25.25 | 7.75 | 9.75 | 0 |
| New Audit Findings - Financial Audit | 0 Findings in 2008 audit, but material weakness for new auditing standards | 2 Findings in 2009 audit, and material weakness for new auditing standards | 0 Findings in 2010 audit, but material weakness for new auditing standards | 0 Findings in 2011 audit, but material weakness for internal accounting controls | Not Yet Available |
| Unresolved Prior Years’ Audit Findings - Financial Audit | 0 | 0 | 1 | 0 | Not Yet Available |
| New Audit Findings - Compliance Audits | 1 | 4 | 1 | 5 | Not Yet Available |
| Moody’s Credit Rating | Confirmed MIG 1 for BAN’s | Confirmed at Aa3 | Confirmed at Aa2 (as recalibrated) | Rating not sought | Rating not sought |
| Government Finance Officers Distinguished Budget Award Received? | Yes, for 2008 budget | Yes, for 2009 budget | Yes, for 2010 budget | Yes, for 2011 budget | Yes, for 2012 budget |
| GFOA Budget Award Ratings Considered Proficient or Outstanding | 81 of 81 Or 100% | 79 of 81 Or 98% | 79 of 81 Or 98% | 80 of 81 Or 99% | 81 of 81 Or 100% |