

Sauk County, Wisconsin
Accounting Annual Report

2015 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.

2015 Goals Review

OBJECTIVE	WAS THIS OBJECTIVE REACHED IN 2015?
	Yes or No (If no, please provide comment)
Number of new and recurring audit findings is less than three.	Yes. Zero for 2014 audit, not counting material weakness related to internal accounting controls
The budget document receives the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.	Yes. The award was received for the 2015 budget document.
One or two new or revised financial policies are adopted based on nationally recognized recommended practices.	No, no changes were made to existing policies nor new policies.
The Comprehensive Annual Financial Report (CAFR) receives the GFOA Certificate of Achievement for Excellence in Financial Reporting.	Yes. The award was received for the year ended 2014.
Provide the option for direct deposit of accounts payable.	No. Efforts focused on departmental process improvement.
Award of Special Capital Recognition by Government Finance Officers Association for budget document.	No. Special Capital Recognition award not received. Reviewers noted need for more quantifiable operating projected costs and savings.
Award of Special Performance Measure Recognition by Government Finance Officers Association for budget document.	No. Special Performance Measure Recognition award not received. Reviewers noted need for more detailed departmental measures and link to County’s overall goals.

Changes / Accomplishments:

Our most prestigious accomplishments in 2015 were receipt of two Government Finance Officers Association awards. The Distinguished Budget Presentation Award was earned for the thirteenth year in a row for the County’s 2015 budget. Also during 2015, the County received the Certificate of Achievement for Excellence in Financial Reporting for the third year in a row for its third Comprehensive Annual Financial Report (CAFR). Receipt of these awards acknowledges the County’s commitment to sound financial planning and full disclosure, and is a positive factor in information dissemination and credit rating reviews.

Union decertification(s) and implementation of the classification and compensation study has generated considerable work in management of employee evaluations. Supporting staff transitions in other departments, such as the Administrative Coordinator and the Aging & Disability Resource Center (ADRC), have taken a lot of Accounting staff time. Similarly, there was much time spent assisting with nutrition program transition between the ADRC and the Health Departments, as well as planning for Health Care Center preparation of congregate and home delivered meals. Accounting, with the Health Departments, also reviewed possible full agent status for Environmental Health programs. Finally, Sauk County was subject to an IRS examination of 2013 payroll and accounts payable transactions. The IRS examination generated one monetary finding totaling \$4,185.48 related to retiree payout of sick leave. Also, the County missed issuance of 1099’s for medical services, which did not generate a penalty. Both findings are rectified for 2015 and the future.

Related to grant administration, the trend toward increased emphasis on grant monitoring has continued. Audits stress documentation of and adherence to internal controls, as well as evidence of multiple person review of transactions and filings. More rigorous review of vendor payments includes verifying vendors are not suspended or debarred. The emphasis on proper review and approval of payments led to initial implementation of the “workflow” portion of the financial system. This will continue into 2016.

Statistical Summary:

OUTPUT MEASURES

DESCRIPTION	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL
Accounts payable checks issued	8,619	8,744	8,382
Payroll checks issued	3,876, or 21%	3,346, or 19%	2,058, or 11%
Direct deposit advices issued	14,305 or 79%	14,723 or 81%	16,012 or 89%
W2’s issued to employees	807	822	833

OUTCOME AND EFFICIENCY MEASURES

DESCRIPTION	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL
Government Finance Officers Association Distinguished Budget Award received with “proficient” or “outstanding” ratings	Yes, for 2013 budget (11 th year) Proficient 43 of 81, 53% Outstanding 35 of 81, 43%	Yes, for 2014 budget (12 th year) Proficient 51 of 81, 63% Outstanding 30 of 81, 37%	Yes, for 2015 budget (13 th year) Proficient 62 of 81, 77% Outstanding 19 of 81, 23%
New financial 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.)	Zero for 2012 audit, not counting material weakness related to internal accounting controls	Zero for 2013 audit, not counting material weakness related to internal accounting controls	Zero for 2014 audit, not counting material weakness related to internal accounting controls
Preserve and enhance the County’s bond rating as issued by Moody’s	No debt funding or refunding needed, so no changes	Rating enhancement from Aa2 to Aa1 earned July 29, 2014	No debt funding or refunding needed, so no rating review

STATISTICAL SUMMARY					
	2011	2012	2013	2014	2015
Accounts Payable Checks Issued	10,032	9,291	8,619	8,744	8,382
1099’s Issued to Vendors at Yearend	234	265	232	265	330 (newly includes medical services)
Payroll Checks Issued	4,719	4,315	3,876	3,346	2,058
Direct Deposit Advices Issued	13,340	13,695	14,305	14,723	16,012
W2’s Issued to Employees at Yearend	847	813	807	822	833
Total County Payroll	\$27,364,211	\$26,717,458	\$27,176,408	\$27,748,128	\$30,102,422
Accounting Staff Full-Time Equivalents	4.0	4.0	4.0	4.0	4.0
Accounting Overtime Hours Paid	9.75	0	0	1.75	0
New Audit Findings - Financial Audit	0 Findings in 2011 audit, but material weakness for internal accounting controls	0 Findings in 2012 audit, but material weakness for internal accounting controls	0 Findings in 2013 audit, but material weakness for internal accounting controls	0 Findings in 2014 audit, but material weakness for internal accounting controls	Not Yet Available
Unresolved Prior Years’ Audit Findings - Financial Audit	0	0	0	0	Not Yet Available
New Audit Findings - Compliance Audits	5	5	1	2	Not Yet Available
Moody’s Credit Rating	Rating not sought	Rating not sought	Rating not sought	Rating enhanced from Aa2 to Aa1	Rating not sought
Government Finance Officers Distinguished Budget Award Received?	Yes, for 2011 budget	Yes, for 2012 budget	Yes, for 2013 budget	Yes, for 2014 budget	Yes, for 2015 budget
GFOA Budget Award Ratings Considered Proficient or Outstanding	80 of 81 Or 99%	81 of 81 Or 100%	78 of 81 Or 96%	81 of 81 Or 100%	81 of 81 Or 100%