

Sauk County, Wisconsin
Accounting Annual Report

2014 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.

2014 Goals Review

OBJECTIVE	WAS THIS OBJECTIVE REACHED IN 2014?
	Yes or No (If no, please provide comment)
Number of new and recurring audit findings is less than three.	Yes. Zero for 2013 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 2014 budget document.
One or two new or revised financial policies are adopted based on nationally recognized recommended practices.	Yes. Update to Financial Policy 5-94 Fund Balance/Retained Earnings and Contingent Funds Policy approved.
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 2013.
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 2014 were receipt of two Government Finance Officers Association awards. The Distinguished Budget Presentation Award was earned for the twelfth year in a row for the County’s 2014 budget. Also during 2014, the County received the Certificate of Achievement for Excellence in Financial Reporting for the second year in a row for its second 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.

Changing labor relations, payroll and benefits continued to play a large role in 2014. Union decertification(s) and implementation of the classification and compensation study involved considerable time. Around 530 employees were transferred to the new pay plan. This affected each of these employees’ jobs (i.e. Clerk) and positions (i.e. Clerk #1 in Department x) in the payroll system. Further, employees, their jobs and their positions were reassigned from the decertified bargaining units to non-represented. This was about 297 of the above 530 people. Further, successful appeals of placement in the plan resulted in another round of adjustments for approximately 140 people.

The County refinanced callable maturities of its general obligation debt, including use of \$2 million of general fund balance to reduce the overall debt load. An in-person presentation to Moody’s earned the County an upgrade to the County’s rating from Aa2 to Aa1.

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.

Statistical Summary:

OUTPUT MEASURES

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL
Accounts payable checks issued	9,291	8,619	8,744
Payroll checks issued	4,315, or 24%	3,876, or 21%	3,346, or 19%
Direct deposit advices issued	13,695 or 76%	14,305 or 79%	14,723 or 81%
W2’s issued to employees	813	807	822

OUTCOME AND EFFICIENCY MEASURES

DESCRIPTION	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL
Government Finance Officers Association Distinguished Budget Award received with “proficient” or “outstanding” ratings	Yes, for 2012 budget (10 th year) Proficient 60 of 81, 74% Outstanding 21 of 81, 26%	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%
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 2011 audit, not counting material weakness related to internal accounting controls	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
Preserve and enhance the County’s bond rating as issued by Moody’s	No debt funding or refunding needed, so no changes	No debt funding or refunding needed, so no changes	Rating enhancement from Aa2 to Aa1 earned July 29, 2014

STATISTICAL SUMMARY

	2010	2011	2012	2013	2014
Accounts Payable Checks Issued	10,636	10,032	9,291	8,619	8,744
1099’s Issued to Vendors at Yearend	258	234	265	232	265
Payroll Checks Issued	5,583	4,719	4,315	3,876	3,346
Direct Deposit Advices Issued	14,047	13,340	13,695	14,305	14,723
W2’s Issued to Employees at Yearend	881	847	813	807	822
Total County Payroll	\$28,822,637	\$27,364,211	\$26,717,458	\$27,176,408	\$27,748,128
Accounting Staff Full-Time Equivalents	4.0	4.0	4.0	4.0	4.0
Accounting Overtime Hours Paid	7.75	9.75	0	0	1.75
New Audit Findings - Financial Audit	0 Findings in 2010 audit, but material weakness for new auditing standards	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	Not Yet Available
Unresolved Prior Years’ Audit Findings - Financial Audit	1	0	0		Not Yet Available
New Audit Findings - Compliance Audits	1	5	5		Not Yet Available
Moody’s Credit Rating	Confirmed at Aa2 (as recalibrated)	Rating not sought	Rating not sought	Rating not sought	Rating enhanced from Aa2 to Aa1
Government Finance Officers Distinguished Budget Award Received?	Yes, for 2010 budget	Yes, for 2011 budget	Yes, for 2012 budget	Yes, for 2013 budget	Yes, for 2014 budget
GFOA Budget Award Ratings Considered Proficient or Outstanding	79 of 81 Or 98%	80 of 81 Or 99%	81 of 81 Or 100%	78 of 81 Or 96%	81 of 81 Or 100%