

Sauk County, Wisconsin  
**Accounting Annual Report**

**2016 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.

**2016 Goals Review**

OBJECTIVE	WAS THIS OBJECTIVE REACHED IN 2016?
	Yes or No (If no, please provide comment)
Number of new and recurring audit findings is less than three.	Yes. Zero for 2015 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 2016 budget document.
One or two new or revised financial policies are adopted based on nationally recognized recommended practices.	Post-Issuance Compliance Policy adopted by Finance Committee 5-10-16
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 2015.
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 2016 were receipt of two Government Finance Officers Association awards. The Distinguished Budget Presentation Award was earned for the fourteenth year in a row for the County’s 2016 budget. Also during 2016, the County received the Certificate of Achievement for Excellence in Financial Reporting for the fourth consecutive year for its Comprehensive Annual Financial Report (CAFR). These awards acknowledge the County’s commitment to sound financial planning and full disclosure, and are positive factors in information dissemination and credit rating reviews.

Law Enforcement Center debt was refinanced, saving about \$140,000 per year through 2021. Moody’s also affirmed the County’s very healthy bond rating at Aa1. Also, all departments are now utilizing electronic accounts payable approval in MUNIS, called workflow. This should eliminate the significant deficiency in our audit. Once significant deficiencies are gone for two years, the County can be considered a “low-risk” auditee, saving time, money and scrutiny.

Supporting staff transitions in other departments have taken a lot of Accounting staff time. In 2016, there were 7 department head transitions, including the Administrative Coordinator; Child Support Administrator; Clerk of Courts; Conservation, Planning & Zoning Director; Facilities Director; Health Care Center Administrator, and Human Services Director. Similarly, our 4-person department expanded to 4.5 with the addition of a Management Analyst shared with the Administrative Coordinator.

There was much time spent assisting with Home Care and Foot Clinic transfer from the Health Department to the Health Care Center, as well as analyzing full agent status for Environmental Health programs.

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. This will continue into 2017.

**Statistical Summary:**

**OUTPUT MEASURES**

<b>DESCRIPTION</b>	<b>2014 ACTUAL</b>	<b>2015 ACTUAL</b>	<b>2016 ACTUAL</b>
Accounts payable checks issued	8,744	8,382	8,630
Payroll checks issued	3,346, or 19%	2,058, or 11%	312, or 2%
Direct deposit advices issued	14,723 or 81%	16,012 or 89%	17,603 or 98%
W2’s issued to employees	822	833	854

### OUTCOME AND EFFICIENCY MEASURES

DESCRIPTION	2014 TO DATE	2015 TO DATE	2016 TO DATE
Government Finance Officers Association (GFOA) Distinguished Budget Award received with “proficient” or “outstanding” ratings	Yes, for 2014 budget (12 <sup>th</sup> year) Proficient 51 of 81, 63% Outstanding 30 of 81, 37%	Yes, for 2015 budget (13 <sup>th</sup> year) Proficient 62 of 81, 77% Outstanding 19 of 81, 23%	Yes, for 2016 budget (14 <sup>th</sup> year) Proficient 50 of 81, 62% Outstanding 29 of 81, 36%
New audit findings reported in the management letter prepared by the County’s external auditors (Note: New audit finding for 2016 actual are from 2015’s audit with results received in 2016.)	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	Zero for 2015 audit, not counting material weakness related to internal accounting controls
GFOA Certificate of Achievement for Excellence in Financial Reporting received for Comprehensive Annual Financial Report (CAFR)	Yes for 2013 CAFR	Yes for 2014 CAFR	Yes for 2015 CAFR
Preserve and enhance the County’s bond rating as issued by Moody’s	Rating enhanced from Aa2 to Aa1 July 29, 2014	No debt issuance needed, so no rating review	Rating affirmed at Aa1 June 15, 2016
Quantity and negative dollar impact of filing deadlines missed (payroll taxes, sales tax, real estate transfer tax)	1, and \$687.12	0, and \$0	0, and \$0
Quantity of auditor-generated material adjustments to financial statements	0 for 2013 audit	0 for 2014 audit	0 for 2015 audit

### STATISTICAL SUMMARY

	2012	2013	2014	2015	2016
Accounts Payable Checks Issued	9,291	8,619	8,744	8,382	8,630
1099’s Issued to Vendors at Yearend	265	232	265	330 (newly includes medical services)	301
Payroll Checks Issued	4,315	3,876	3,346	2,058	312
Direct Deposit Advices Issued	13,695	14,305	14,723	16,012	17,603
W2’s Issued to Employees at Yearend	813	807	822	833	854
Total County Payroll	\$26,717,458	\$27,176,408	\$27,748,128	\$30,102,422	\$30,705,664
Accounting Staff Full-Time Equivalents	4.0	4.0	4.0	4.0	4.5
Accounting Overtime Hours Paid	0	0	1.75	0	2.92
New Audit Findings - Financial Audit	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	0 Findings in 2015 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	1	2	2	Not Yet Available
Moody’s Credit Rating	Rating not sought	Rating not sought	Rating enhanced Aa2 to Aa1	Rating not sought	Rating affirmed Aa1
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 2016 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%	79 of 81 Or 98%