

411.1 SUBJECT: FINANCIAL REPORTING

:1 OBJECTIVE:

Supervise and control the collection and recording of financial information for the measurement of and reporting on the inflow and outflow of City resources and all claims against those resources in accordance with generally accepted governmental accounting principles, legal and regulatory requirements.

:2 AUTHORITY:

This policy adopted by City Council September 15, 2003.

:3 DIRECTION:

The Directors, Office Heads and Bureau Chiefs.

:4 FUNCTIONS:

A. Responsible for the design, enhancement, revision, and supervision of a general accounting system for all City operations that provides for the safeguarding of assets and management of the financial information for (1) acceptable financial reporting, (2) the measurement of management stewardship, and (3) demonstration of compliance with finance related legal and contractual covenants.

B. Oversight of the development of financial internal management reports as required or requested by Department Directors, the Chief Administrative Officer, or the Mayor and City Council.

C. Accounting and reporting of City bonded debt transactions in compliance with bond covenants requirements.

D. Accounting and financial reporting of State and Federal grants. Responsible for monitoring compliance with fiscal regulations of State and Federal agencies and liaison with auditors.

E. Distribution of periodic financial reports to Department Directors, Office Heads and Bureau Chiefs to facilitate the continuing measurement of the financial impact of managerial decisions already made and to provide an information base for future economic decisions and alternatives.

F. Preparation of annual financial statements in compliance with Florida Statutes and Rules of the Auditor General.

G. Maintain accurate financial reporting records for property, plant, and equipment owned or controlled by the City.

:5 METHOD OF OPERATION:

A. Procedure - Recording Financial Transactions

1. Financial accounting transactions (exclusive of budget) are entered into the General Ledger of the City by authorized personnel of the

Management, Budget & Accounting Director's Office. Any subsidiary systems designed to interface with the Operation Management Information System (OMIS) must be reviewed and approved by the Comptroller.

2. All requests for adjustment to the General Ledger must:
 - a. be in writing to the Accounting and Control Bureau, Attn: Financial Reporting,
 - b. comply with generally accepted governmental accounting principles, and
 - c. be substantiated by such sufficient evidential documentation as may be required by the professional staff of accountants. Fund managers are appointed for each fund and an updated listing is forwarded to Department Heads/Office Heads/Bureau Chiefs periodically.
3. Financial transactions will be properly classified and reported to insure adequate and meaningful disclosure of City operations.
4. All requests for addition to or deletions from the official Chart of Accounts, which is maintained by the Financial Reporting Section, must be in writing or by E-Mail and properly authorized.

B. Procedure - Omis Financial Reports

1. The Accounting & Control Bureau is responsible for the preparation and distribution of all financial reports at Fiscal Year end.
2. Financial responsibility reports for all revenue and expenditure transactions are available to all departments through the OMIS inquiry screens. Inquiry can be used by program only or for Total Fund expenditures and revenues.
3. Requests for the generation of specialized OMIS financial reports during a monthly accounting cycle must be addressed to Bureau of Accounting & Control, Attn: Financial Reporting, outlining report's requirement, to include column headings, and date required.
4. The development of any new OMIS financial reports which will be presented to external users or becomes the basis for any financial analysis attesting to the City's financial condition or ability to underwrite or contribute to, or perform under any economic event must be reviewed and approved by the Comptroller.
5. The development of all financial reports that are designed as internal management reports for City project/cost centers and which use OMIS as a

source of data should be submitted to the Comptroller for a courtesy review.

All financial reports prepared for presentation to external third parties in support of contractual arrangements and/or obligations must be reviewed by the Management, Budget & Accounting Director.

6. The annual financial statements shall be submitted to an independent Certified Public Accountant for examination in order to receive an opinion on:
 - a. the fair presentation of the City's financial position, results of operations, and cash flows in conformity with generally accepted governmental accounting principles, and
 - b. whether operations were conducted in accordance with legal and regulatory requirements and bond ordinances.
7. The annual audit of financial statements must be completed within 12 months after the end of each respective Fiscal Year. Pursuant to Florida Statutes, as amended, the Auditor General of the State of Florida will be furnished an audit report, containing:
 - a. the auditor's report on the financial statements and supplementary data within the scope of the audit, the study and evaluation of the City's system of internal accounting controls, and compliance matters which may have a material effect on the statements reported on;
 - b. the management letter; and
 - c. the financial statements and related footnotes.
8. Pursuant to Florida Statutes, on or before March 31 of each year, the City will submit a copy of a financial report covering its operation during the preceding Fiscal Year consistent with the standards of the United States Bureau of the Census and in the form required by the Florida Department of Banking and Finance, Management, Budget & Accounting. The Certified Public Accountant retained by the City shall review the financial information and report any material differences.

C. Financial Reporting Of Property, Plant & Equipment

1. Identify all financial transactions for capital expenditures of at least \$250 which have a normal life expectancy in excess of one year or which extend the useful life of an existing asset.
2. Record, on a timely basis, all financial transactions affecting fixed assets including dispositions, retirements and transfers in accordance with generally accepted accounting principles.

3. Provide the Property Control Section with data to accurately record (and control) all fixed assets in the City's detailed property records.

Property Control procedures are outlined in City Policy & Procedures, 191.4 with respect to the controlling, monitoring and safeguarding of the capital assets of the City.

4. General fixed assets are recorded as expenditures in the general fund, special revenue funds and capital project funds. These funds are capitalized at cost in the General Fixed Assets Account Group, except for rights-of-way and certain improvements other than buildings constructed in the public right-of-way such as roads, bridges, curbs, gutters, streets and sidewalks, drainage systems and lighting systems as these assets are immovable and of value only to the City. No depreciation is provided on general fixed assets. Contributed assets are recorded at fair market value as of the date received.

5. Propriety and Similar Trust fund fixed assets are carried in financial records at historical cost. Additions, improvements and other capital overlays that extend the useful life of an asset are capitalized. Depreciation on these assets are provided annually on a straight-line basis over the following estimated useful lives:

Buildings	4-50
Equipment	2-20
Improvements - Other Buildings	7-25
Sewer Lines and Pump Stations	10-50
Vehicles	2-15

Contributions of funds from Federal, State or local sources are recorded as contributions to equity. Fleet Management collects an asset replacement charge comparable to depreciation; therefore, depreciation on assets contributed by other City funds for vehicle replacement are not recorded as a contribution.

6. Ensure integrity of property information included in all reports issued by the Finance Department.

D. Accounting and Reporting of State and Federal Grants

1. All State and Federal Grants received by the City, either direct with the City as the recipient or indirect with the City as a subrecipient, must be reported to Financial Reporting and Management and Budget when awarded, modified, amended, extended, cancelled, or terminated. Financial Reporting and Management and Budget should be copied on all agenda items presented to City Council. Copies of any grant, award, modification, amendment, extension, cancellation or termination documentation must be

furnished to Financial Reporting and Management and Budget within five (5) days of receipt. The copies and information furnished must include the following information:

- a. The State or Federal agency awarding the Grant. If passed through a local government or another entity, that government or entity should be identified.
 - b. The grant's State and/or Federal identifying number(s).
 - c. If the funds are Federal, or Federal passed through the State, a local government or another entity, the Catalog of Federal Domestic Assistance number (CFDA No.) must be included. If your documentation doesn't include this number, ask your contact person at the department, agency, or entity for it.
 - d. The grant or award amount.
 - e. The type of grant such as cost reimbursement, matching, etc.
 - f. The effective date of the grant.
 - g. The ending date of the grant.
 - h. The requirements and limitations of the grant. The meeting of all requirements and limitations of the grant are the responsibility of the recipient department's project/cost center.
 - i. The auditing requirements.
2. All financial reports required with the exception of the A-128 audit are to be prepared by the recipient department and submitted to the Management, Budget & Accounting Director for review ten (10) days before the reporting deadline.
 3. A copy of all requirements for grant funds, partial or full, reimbursement or advanced, must be sent with supporting documentation to Financial Reporting within three (3) days of the date the request was made.
 4. At the end of the fiscal year, all departments, bureaus, and other project/cost centers must complete, sign, and return the Confirmation of Grants, Awards, and Receipts form(s) to Financial Reporting by the date specified in the cover letter accompanying the form.
 - a. For our auditing purposes a grant is considered in active status from its effective date until the final cash reimbursement or cash advance has been received and all requirements and

expenditures of the grant have been satisfied whether or not there were any transactions during the fiscal year.

b. If the specific department, bureau, or other project/cost center does not have any grants that were in an active status for any period of time during the fiscal year being audited, then it should mark the block on the form that indicates that it "Receives NO Grant Money."

c. If the specific department, bureau, or other project/cost center had any grants that were in an active status for any period of time during the fiscal year being audited, then it should complete a separate Confirmation of Grants, Awards, and Receipts form for every grant. If you have the same grant this year as last year, but the grant number is different, you must fill out separate forms for each different grant number.

:6 FORMS:

Confirmation of Grants, Awards, and Receipts form.

:7 COMMITTEE RESPONSIBILITIES:

None.

:8 REFERENCES:

Section 11.45 (3)(a)3., Florida Statutes, as amended by Chapter 86-204, Laws of Florida; Section 218.32(1)(b) Florida Statutes; amended June 14, 1993, Item 4-Q; amended October 3, 1994, Item 3-S; amended September 15, 2003.

:9 EFFECTIVE DATE:

This procedure effective September 15, 2003.