Effective Financial Statement Presentations

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Agenda

- Terms
- Communication
- Report Types
- Fund Types
Terms

- Finance Terms
- Accounting Terms
- Actuary Terms
- Engineering Terms
- Budget Terms
Return on Investment (ROI)
% Compared to Total
Insurance Rates
Bond Issuance Costs
True Interest Cost
Accounting

- Accrual
- Balance Sheet
- Income Statement
- Fund Balance
  - (Committed, Assigned, Restricted)
- Net Assets
- Revenue and Expenditures (Expenses)
- Transfer In/Out – Below the Line
Actuary

- Value of Assets
- Life Expectancy
- Actuarial Value of Liability
- Market Rate of Return
- Unfunded Liability – GASB 68
- Normal Cost
Budget

- Cash
- Cost of Capital Outlay
- Depreciation
- Cost Allocation
- Appropriation
- Estimated Revenue
Engineering – Greater than 1 year

- Engineering
- Design
- Construction
- Contingency
Communication

- Clear communication is the key
- Who is your audience?
- Know your terms
- Explain in common terms
- Ask questions
How many funds do we report?

Fund Types

- Governmental
- Business Type
  - Enterprise
  - Internal Service
Governmental

- General
- Special Revenue
  - Gas Tax
  - CRA
  - Local Option Sales
- Capital Projects
- Debt Service

"Hey, we're government accountants. These numbers aren't supposed to add up."
Business Type – Enterprise

- Electric
- Gas
- Water & Sewer
- Sanitation
- Airport
- Golf
Business Type – Internal Service

- Fleet
- Insurance
- Information Technology (IT)
Reports – Annual

- Comprehensive Annual Financial Report (CAFR)
- Budget – post to website and all amendments (within 5 days)
Reports – Monthly/Quarterly

- Budget vs. Actual
  - Roll up or detail
  - Cash basis
- Income Statement
Budget vs. CAFR

- Cash vs. Accrual
- Debt Expense – Reduce Liability
- Unearned Revenue – Match Rev/Exp
- End of the Year Salaries (Accrue)
- OPEB & Pension Affect Fund Balance
Questions

- 2 main documents?
  - Major differences
- 2 fund types?
  - Major differences
- Engineering term
- Actuary term
- GASB 68 requirements
Finance Communications and What’s Ahead?

Anne A. Fritz
Finance Director
City of St. Petersburg, FL
Don’t be afraid to ask....

- Finance Terminology
  - GAAP
  - Accrual
  - Modified Accrual
  - Budgetary (CASH-like)
Don’t be afraid to ask....

- Financial Statements in the CAFR
  - Entity Wide
  - Fund
  - RSI
Don’t be afraid to ask....

- Debt Issuance
  - GO
  - Pledged Revenue
  - Covenant to Budget and Appropriate
  - Public Utility Revenue
Don’t be afraid to ask....

- Debt Issuance
  - Official Statement
  - Anti Dilution Test
  - Coverage Tests
  - Bond Rating Process
Don’t be afraid to ask....

- Investments
  - Investment Policy
  - Fixed Income
  - Equity
  - Alternative Investments
Don’t be afraid to ask....

- Pensions
  - Actuary Information
  - ARC
  - DROP
  - Pension Investment Policy
    - Fixed Income
    - Equity
    - Alternative Investments
    - Managers
    - Consultant
Don’t be afraid to ask....

- Pensions
  - Expected Rate of Return
  - GASB 67
  - GASB 68
  - State Reporting
  - Moody’s Adjustments
Don’t be afraid to ask....

- Grants
  - Application and Award
  - Compliance
  - New UGG
    - Risk Assessment
    - Internal Controls
    - Sub recipient monitoring
    - Reporting – SEFA
Don’t be afraid to ask....

- Transparency
  - Website financial platforms
  - Open checkbooks

- Public records
Don’t be afraid to ask....

Information and Reporting Security
- Credit and Debit Data
- Payment Card Standards and Liability
- Banking security
- Banking new processes
Questions?

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