

1. Discussion Objective:

Work Session Date: May 16, 2011

Finance Director will present an overview of the current operations, duties and responsibilities of the Department. The Department is staffed by one Finance Director and one Finance Coordinator.

2. Submitter of Information:

- Council
- Town Staff – Finance Director
- Town Attorney

3. Estimated Time for this item:

30 minutes

5. Background:

The Finance Department is responsible for:

- Financial Statements and Accounting
- Annual Budget
- Fixed Asset Management
- Personnel and Human Resource Management
- Risk Management and Insurance

Town Manager	Town Attorney	Finance Director	Public Works Director	Community Development Director	Cultural Resources Director	Town Clerk
						

*Town of Fort Myers Beach
Finance Department Operational Results
October 1 through December 31st, 2010*

Finance

The mission of the Finance Department is to serve the public and staff by providing accurate and current financial data. Finance is responsible for the day-to-day financial activities of the Town. The Department is staffed by two full-time employees.

Finance Department – this is what we do!

*Financial Statements and Accounting
Annual Budget
Fixed Assets Management
Personnel and Human Resource Management
Risk Management/Insurance*

1st Quarter Finance Statistics

<i>Vendor checks issued</i>	458
<i>Payroll checks & direct deposit issued</i>	250
<i>Bank deposits</i>	18
<i>Bank accounts reconciled</i>	15
<i>Invoices issued</i>	34
<i>Journal entries prepared and posted</i>	50
<i>Town wide full-time employees</i>	38
<i>Town wide part-time employees</i>	21
<i>Number of employees hired</i>	6
<i>Number of employees terminated</i>	4
<i>Background checks processed</i>	18
<i>Insurance claims processed</i>	11
<i># of revenue accounts monitored</i>	191
<i># of expenditure accounts monitored</i>	491

Town's finances – how it all works



The Town financial structure is made up of 12 funds and a separate accounting entity for the Water Utility.

Each entity is a self-balancing set of revenue and expenditure accounts and is similar in structure to a separate business.

During the year, the Finance department operates, manages and monitors the 13 individual business structures.

- ...and here are the 12 funds (and PWSI)*
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- | | |
|------------------------------|--------------------------------------|
| • <i>General Fund</i> | • <i>Palmetto/Easy Street</i> |
| • <i>Road Impact Fees</i> | • <i>Gas Tax</i> |
| • <i>DRA</i> | • <i>Emergency Preparedness</i> |
| • <i>Old San Carlos</i> | • <i>Laguna Shores</i> |
| • <i>Park Impact Fees</i> | • <i>Capital Projects</i> |
| • <i>Beach Renourishment</i> | • <i>Public Works Services, Inc.</i> |
| • <i>Beach Access</i> | |

Town's financial statements . . .

At year end (9/30), the Town compiles the financial documents for the annual audit. The audited financial statements will incorporate all 13 entities under the broad financial umbrella of the Town.



The Town hires an outside auditing firm annually to review the accounting records and financial statements as required by State law. The finance department assembles numerous schedules, documents, bank statements and reconciliations, payroll records, accounts payable and receivable schedules for the auditing firm to review. The lists and schedules are comprehensive and detailed.

Town's financial statements . . .

In addition to preparing the supporting documents and schedules, the Finance Director prepares the Management Discussion and Analysis. You will find the MD&A at the beginning of the audited financial statements. This report is a comprehensive overview of the Town's financial position. The MD&A is a required component of the Financial Statements.

Generally, the auditing firm starts work in November and December after the end of the fiscal year. When the audit is complete, the auditing firm will report back to the Council explaining the financial position of the Town and the integrity of the Financial Statements.

General Fund

The General Fund accounts for all financial resources except those required or designated to be accounted for in another fund. These resources include taxes, state and local shared revenues, license and permit fees, fines, charges for services, interest earnings and other miscellaneous revenues.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted for specified purposes. The Town has a number of special revenue funds. Several of these special revenue funds are restricted only by Council action.

Capital Projects Fund

This fund is used to account for financial resources designated for the acquisition and construction of major capital facilities and improvements.

- Capital Projects include*
North Estero
Stormwater Utility
Mound House
Newton Park

Annual Budget Process

The annual budget serves as the legal authorization for expenditures. The Council approves and adopts the annual budget. Appropriations lapse at the fiscal year end. The Town's fiscal year begins October 1st and ends September 30th of each year.

The finance department gathers department budget requests, evaluates revenue forecasts, develops personnel and benefit costs estimates and prepares the preliminary budget document.

How does a budget help the community????

The Town uses a traditional line item budget. Each year, departments submit line item requests. They also include detail of any new projects they hope to complete and what resources will be needed to achieve that level of service.

The budget process allows the Town Council the opportunity to evaluate programs and determine what will be funded. During the course of the year, the departments heads and employees are diligent in their quest to save \$\$\$ for the community.

Are there actual budget to actual results?

Each month, the Town Manager, Department Heads, and Finance Director review the expenditures and revenues year-to-date. (Quarterly this information is forwarded to the Council.)

If warranted, the staff may recommend amendments to the budget during the fiscal year depending on a variety of situations.

Fixed Asset Administration

The Finance Department maintains the fixed asset schedules for all Town and water utility property. Fixed assets are viewed as any property that is not consumed or sold during the normal course of business, such as land, buildings, equipment, machinery, vehicles, leasehold improvements and other such items. Fixed assets are an important component of the Town's total net assets.

... more HR responsibilities

As in any organization, the Town may occasionally find it necessary to discipline an employee. This discipline can range from a verbal warning up to and including immediate termination. I work through the process with the departments and employee to insure that everyone is treated fairly. The Town Manager is the final (other than the court system) appeal avenue available to employees.

I consult the Town Attorney to insure that the appropriate actions and procedures have been taken. From time to time, the Town may be a party to a law suit filed by a former employee. These law suits can be very lengthy, time consuming and expensive. I insure that all appropriate paperwork is complete and accurate and work with legal counsel, the Town Manager and the court system to get the case resolved.

Risk Management

The Finance Director assumes the role of Risk Manager for the Town and water utility. Risk management is a systematic approach to minimizing the Town's exposure to risk.

During the course of routine business, the Town is exposed to a variety of risks. We minimize the potential damage with the following types of coverage:

Risk Management (continued)

- General Liability*
- Automobile*
- Errors and Omissions*
- Property*
- Inland Marine*
- Flood Insurance*
- Worker's Compensation*
and
- All employee insurance and benefits*
