

Revised CM-3
5-5-15



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#15-0351

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: May 5, 2015

TITLE: **REVISED CM-3** Ratification of Audit Entries and Acceptance of the
Comprehensive Annual Financial Report and the Federal and State Single
Audit for the fiscal year ended September 30, 2014 for Submittal to the
Florida Auditor General

Recommendation

It is recommended that the City Commission ratify the actions taken by the Finance Department to recognize a liability and record an expense of \$8,853,485 in the General Fund for claims denied by the Federal Emergency Management Agency (FEMA) and restate the beginning net position and reduce the fund balance by \$10,223,809 to reflect an additional employer contribution for the Police and Firefighters' Retirement System (P&F) in fiscal year 2013.

It is also recommended that the City Commission approve a motion accepting the Comprehensive Annual Financial Report (CAFR) and the Federal and State Single Audit Report (Single Audit) for submittal to the Florida Auditor General.

Background

Crowe Horwath, LLC, external auditors, have completed the annual audit of the City's financial statements and reported an unmodified (clean) opinion. On March 30, 2015 and for the third consecutive year, the City issued the audited financial statements for the CAFR together with the Single Audit.

A representative from Crowe Horwath presented the draft financial statements to the Audit Advisory Board on March 5, 2015 and to the City Commission at the Conference meeting on March 17, 2015.

Highlights of the CAFR

- The City's total assets and deferred outflows exceeded its liabilities by \$1.090 billion.
- The General Fund unrestricted balance increased from \$45.1 million to \$53.4 million. This amount exceeds the minimum unrestricted requirement (16%) at 19.9% of the final General Fund budget for operations.

We have submitted the CAFR to the Governmental Finance Officers Association in application for the Certificate of Achievement for Excellence in Financial Reporting. As in previous years, we expect that it will meet the criteria to receive the certificate. The CAFR is available online at the City web page.

The City had one new audit finding that stemmed from the change in fiscal year for the Police and Firefighters' Retirement System (P&F). The City restated its beginning net position and reduced the fund balance by \$10,223,809 to reflect an additional employer contribution for P&F in fiscal year 2013.

As a part of the audit, the Finance Department has to record audit entries required by generally accepted accounting principles (GAAP) that were not previously appropriated. The Finance Department has recognized a liability and recorded an expense of \$100,834 in the General Fund to repay its HOME Investment Partnerships Program (HOME) line-of-credit to the US Department of Housing and Urban Development. Also, in fiscal year 2013 the Finance Department had to recognize a liability and record an expense of \$8,853,485 in the General Fund for claims denied by the Federal Emergency Management Agency (FEMA) for Hurricane Wilma and Hurricane Katrina. These funds are already in place in the General Fund and will be used for the possible repayments.

As required by the Rules of the Auditor General of the State of Florida, the City must forward a copy of the approved financial report to the Auditor General within 45 days after receipt of the audit report from the auditor, but no later than 9 months after the end of the fiscal year.

It is recommended that the City Commission accept the CAFR, Single Audit and all prior audit entries required by GAAP for submittal to the Florida Auditor General.

Resource Impact

There is no fiscal impact to the City for fiscal year 2015.

Strategic Connections

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- Goal 12: Be a leading government organization, managing its resources wisely and sustainably.
- Objective 1: Ensure sound fiscal management.

This item advances the Fast Forward Fort Lauderdale 2035 Vision Plan: *We Are United*.

Attachment

Exhibit 1 – CAFR

Prepared by: Laura L. Garcia, Acting Controller
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Department Director: Kirk W. Buffington, Finance