



Visitors Impact Task Force Financial Reporting in Government

Controller's Office
April 11, 2017

Sources of Financial Information

There are several sources for financial information about City operations including:

- Comprehensive Annual Financial Report (CAFR):
 - Report prepared by the Controller's Office annually
 - Based on generally accepted accounting principles (GAAP)
 - Much of the report is audited by the City's external auditor
- Approved Budget:
 - Report prepared by the Budget Office for Operating and Capital budgeting
 - Based on budgeting principles focused on current available resources and spending (this is consistent with other municipalities and governments across the country)
 - Once CAFR is complete, Controller's Office provides prior year actual beginning balance, available funds, requirements, and ending balance amounts
 - Proposed budget amounts are initially provided by departments and modified as needed by management
- Capital improvement plan:
 - Report prepared by the Budget Office
 - Focuses on longer term capital needs of the City
 - Proposed budget amounts are initially provided by departments and modified as needed by management
- Other financial reports not listed separately

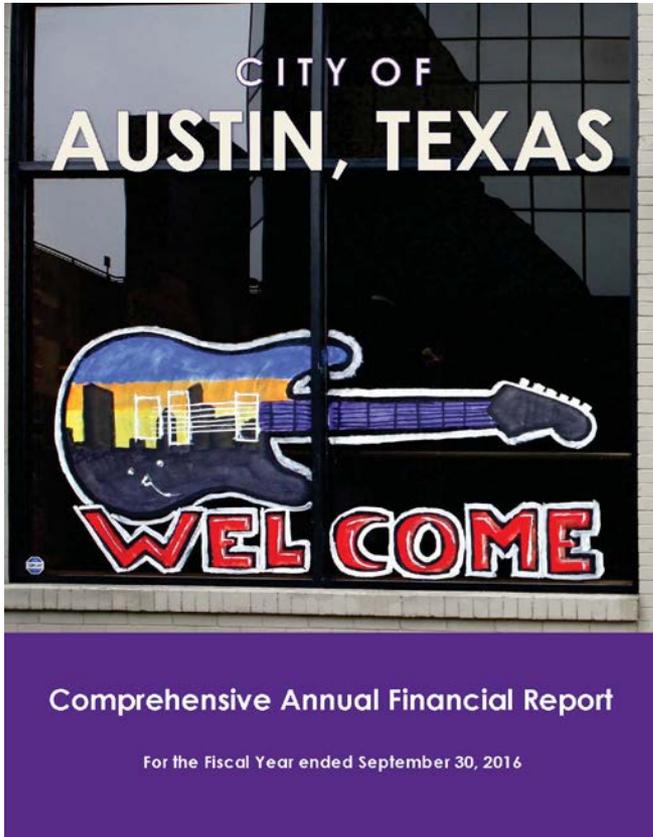
Report Framework

Key items included in each report:

- Comprehensive Annual Financial Report (CAFR):
 - Statement of Net Position (Balance Sheet)
 - Statement of Revenues, Expenditures and Changes in Net Position (Income Statement)
 - Statement of Cash Flows
 - Plus footnotes and other disclosures
- Approved Budget:
 - Department Budgets include an overview, mission and goals, message from the director, budget highlights, significant changes, budget details by activity, and other summary information
 - Fund Summaries (income statement-like budget-basis report)
 - Plus other information about the City's operations
- Capital improvement plan:
 - Spending plan (when will the City need funds to pay for improvements)
 - Appropriation summaries reflect current funding levels and planned future requirements
 - Department narratives explain their program and highlight major planned projects

Note: Although these reports may be prepared for the same period of time – a fiscal year – there are differences in the basis of reporting for each.

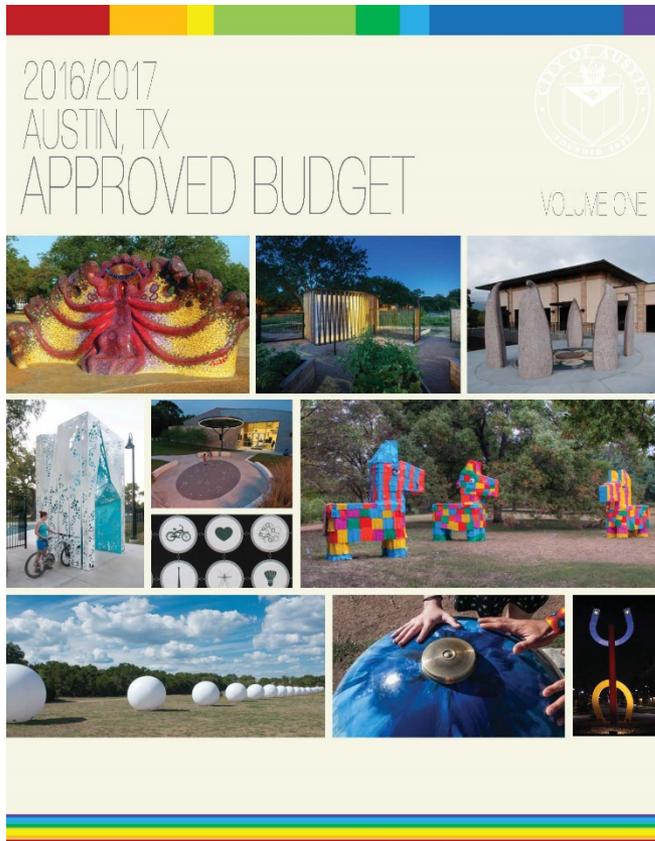
CAFR



- Statement of Revenue, Expenses and Changes in Net Position
 - Full accrual basis accounting
 - Includes depreciation (use of capital assets over their useful life)
 - Acquisition of capital does not impact income statement
 - Debt payments - only reflect interest expense (paid and due as of statement date)
 - One column for enterprise activity (i.e. Convention Center)
 - Recognition of current period costs for long term liabilities associated with employee benefits - net pension liabilities and other postemployment benefits (medical, dental, life, etc.)

<https://assets.austintexas.gov/financeonline/downloads/cafr/cafr2016.pdf>

Budget



- Budget: Budget is “income statement” focused
 - Closer to cash basis accounting, but includes some accruals like payroll, receivables, etc
 - Excludes depreciation
 - Includes acquisition of capital (full purchase price is an expenditure of the period)
 - Debt payments include both principal and interest due
 - Multiple fund summaries (10+) that make up one column on CAFR including: Convention Center (CC) HOT Revenue Bond Redemption, CC Marketing and Promotion, CC Operating, Palmer Events Center (PEC) Garage, PEC Operating, PEC Revenue, CC Repair and Replacement, CC Tax, CC Town Lake Park Venue Project Bond Redemption, CC Venue Project, plus CC & PEC capital projects funds and debt service reserve funds.

https://assets.austintexas.gov/budget/16-17/downloads/Approved_Volume_1_FINAL.pdf