

**Local Government Financial Reporting Pursuant to Chapter 2019-56, L.O.F.  
Answers to Frequently Asked Questions  
(Revised 9/25/2019)**

EDR has received questions from local government officials regarding the new local government financial reporting requirements. The questions and EDR's answers, in bold italicized text, are provided below.

**Answers to General Questions about this New Reporting Requirement**

Question

The Orange County Library System is reflected on the 'List of Active Special Districts as of July 11, 2019' file posted on the EDR's *Local Government Financial Reporting* website. Consequently, I assume the District needs to submit this report to EDR. If so, should we use the County Reporting Form since we are governed by Orange County? ***This new reporting requirement only applies to county and municipal governments; independent special districts do not have to report. Since the Orange County Library System is an independent special district, you do not have to report. Furthermore, dependent special districts do not have to report separately.***

Question

Under this new reporting requirement, should I include the local government's CRA data? ***Yes, spending, debt, employee, salary, and benefits data for the local government's CRA, as well as any other dependent special districts, should be included.***

Question

After I submit our reporting form this year, will there be anything further that I will need to do on this after my actual audit is complete? ***No, there will be nothing further you will need to do this year. During next year's reporting cycle, you will have the opportunity to revise figures for FY 2018-19 and FY 2019-20.***

**Answers to Questions about Total Government Spending and Total Debt**

Question

The new reporting form due on or before the 15th of October asks for the FY 2018-19 Budget, as Amended. Sections 129.06(2) and 166.241(4), F.S., provides for the amendment of the budget within 60 days after the close of the fiscal year. Therefore, a budget may be amended on or before the 29th of November and then differ from the amended budget submitted on the new form. Could you please provide guidance? Does it not matter? Will you need amended forms? ***In recording FY 2019-20 and FY 2018-19 spending, please use the FY budget that is in effect at***

*the time you report. EDR is aware of the s.129.06(2) and s.166.241(4), F.S., provisions that allow counties and municipalities to amend the budget for the prior fiscal year within the first 60 days of a fiscal year. EDR recognizes that the FY 2019-20 and FY 2018-19 figures that will be reported by October 15, 2019, may be different next year. EDR will caveat that the FY 2019-20 and FY 2018-19 figures reported by local governments in October 2019 could be amended after the reporting deadline. EDR will not be asking local governments to amend their 2019 reporting. During next year's (i.e., 2020) reporting cycle, local governments will have the opportunity to update FY 2018-19 and 2019-20 spending figures as reflected in amended or final budgets.*

#### Question

Is the reporting for this to cover Board of County Commissioner data or does it include the Board of County Commissioners and all Constitutional Officers? While we have time to get this done, it will make it easier to prepare our approach if we know what the scope of the data to be collected. ***The reporting of Total Government Spending and Cost of Pay Off Current Debt Obligations should include the BOCC and all constitutional offices.***

#### Question

Can you clarify the meaning of “government spending” for me? For total government spending sections, are you asking for government wide converted numbers (governmental funds are converted to full accrual basis) or total numbers from fund level statement? Enterprise funds will always will be accrual basis. ***EDR is asking for total numbers from fund-level statements.***

#### Question

On the reporting form, is the total government spending the entire budgeted funds? Or, just the general (operating) fund? This would be my question for the employee section as well! ***EDR interprets the legislation to ask for total government spending – all funds. Same answer for employee section.***

#### Question

If we are to use the AFR data submitted in prior years, why doesn't the EDR pick up the first 3 years from the AFR submittals and just have us give you the current and prior budget? ***EDR staff reasoned that local governments should be asked to report these historical AFR data in the first year of this reporting cycle. This will allow us to cross-check against the data we receive from the Department of Financial Services. Obviously, in future years, local governments will not be asked annually to provide government spending and debt data for the previous five fiscal years.***

### Question

Since the spending categories are modeled after those used in the Uniform Accounting System Chart of Accounts, where can I find this document. ***The broad expenditure categories used in this form are the same categories listed in the Uniform Accounting System Chart of Accounts, which is the standard for recording and reporting local government financial information to the Florida Department of Financial Services, pursuant to s. 218.33, F.S. It appears that the Uniform Account System Manual – 2014 Edition is the most recent version and is posted on the Department of Financial Services website via the following link.***

[https://www.myfloridacfo.com/Division/AA/Manuals/2014UASManual-7-31-15\\_FINAL.pdf](https://www.myfloridacfo.com/Division/AA/Manuals/2014UASManual-7-31-15_FINAL.pdf)

### Question

I am assisting our Budget Office in compiling the information for historical total government spending. It appears that this information should be taken from the County's prior AFRs. The AFR total column includes discretely presented component units. Should the total government spending (both historical and budget) include these component units? ***Yes, total government spending (both historical and budget) should include these component units.***

### Question

In preparation to comply with the new reporting requirements, I have the following questions. Our city has 3 Enterprise Funds (utilities, golf, and stormwater). Should these funds be included in Total Government Spending and, if yes, under which category? Our city budgets and records 2 Pension Trust Funds. Should we include these funds as well and, if yes, under which category? Finally, our city has 5 Debt Service Funds that are used to record the payments of debt. Should we include these funds? ***EDR interprets the legislation to ask for total government spending across all funds. The format of the Total Government Spending section of the Municipal Reporting Form follows the same major expenditure categories used by county and municipal governments for the submission of Annual Financial Reports. In answer to your specific questions, the utilities and stormwater enterprise funds should be recorded in Physical Environment. The golf enterprise fund should be reported in Culture/Recreation. The pension funds should be included and recorded in General Government Services. Debt service payments should be recorded in General Government Services as well.***

### Question

For purposes of the new reporting requirements, is the Cost of Pay Off Current Debt Obligations to be reported as the amount of principal outstanding or the debt outstanding including interest? ***For each category of debt, report the amount of outstanding principal only. Exclude interest.***

### Question

Cost of Pay Off Current Debt Obligations – do you want to include everything that GASB states is debt such as compensated absences, other post-employment benefits (which are all on the government wide statements), claims payable, pension liability, or just bonds, loans, and leases? ***Include only bonds, loans, and other financial arrangements such as certificates of participation.***

### Question

Should capital lease obligations be reported within the Cost to Pay Off Current Debt Obligations section? ***Capital lease obligations should not be reported.***

### Question

Should a CBA (i.e., Covenant to Budget and Appropriate) be reported within the Cost to Pay Off Current Debt Obligations section? ***A Covenant to Budget and Appropriate (CBA) should not be reported.***

## **Answers to Questions about Employees, Salary, and Benefits**

### Question

Should the reporting of total salary and benefits and number of employees include all BOCC employees as well as employees of the Clerk of Courts, Supervisor of Elections, Property Appraiser, and Sheriff's Department? ***Yes, the reporting of Salary, Benefits, and Number of Employees should include all employees of the BOCC and all constitutional offices, except for the elected constitutional officers themselves (i.e., County Commissioners, Clerk of Circuit Court, Property Appraiser, Tax Collector, Supervisor of Elections, and Sheriff).***

### Question

For seasonal and temporary FTE's, we don't have a count on those. We have a budgeted equivalent FTE that we could give but not an actual number of bodies. Is that what you are looking for or just leave it blank? ***During our pre-testing, one or more budget officials mentioned that they budget for seasonal and temporary employees' salaries, but not necessarily the number of positions since monies are allocated to departments and managers have discretion to determine hiring needs. If your local government follows this same practice, please leave the number of positions blank ... just include the budgeted amount for salaries and/or benefits.***

### Question

What items are we to include in benefits? Obviously medical insurance and pension, but what about workers' comp, FICA, etc.? ***When you open the reporting form, and hover over the***

*question mark (?) next to Total Benefits, the following description is provided ... “Total benefits, as classified by your local government, for authorized or established positions. Excludes all elected officials.” In other words, the Benefits category should include those items that your jurisdiction considers as benefits. During EDR’s pre-testing of the reporting forms with a sample of county and municipal budget officials, it was pointed out to us that how local governments classify benefits may differ from one jurisdiction to another.*

#### Question

The reporting form is asking us to separate out Regular or Permanent Employees (FTEs) from Seasonal and Temporary Employees (FTEs). Am I correct that permanent part time employees would be listed under Regular or Permanent Employees (FTEs)? Also, we have 5 Auxiliary Police employees who are volunteers – they do not get paid. Should I include them or exclude them? ***Permanent part-time employees should be reported in Regular or Permanent Employees and the total number of employees should be reported as FTEs. The five unpaid Auxiliary Police volunteers should be excluded.***

#### Question

I have a question regarding the reporting requirements for county governments. When I open the reporting form, there is only one tab for completion. When I select our county’s name from the drop box, our county’s population, household income, and number of special districts populate automatically. The new law requires the reporting of average county or municipal employee salary as well as percent of the entity’s budget spent on salaries and benefits for the entity’s employees. Are these calculations that our county needs to provide? ***County and municipal governments are not being asked to make these calculations. EDR will be able to make these calculations using the data providing in the form and the population figures that have already been compiled.***

### Answers to Questions about Population, Median Income, and Special Taxing Districts

#### Question

Would an MSTU County Wide for Medical Transport count as a Special Taxing Unit? ***For the purposes of this legislation, a MSTU is not a special taxing unit. When EDR asked the House Local, Federal & Veterans Affairs Subcommittee staff about the meaning of “special taxing units” within this legislation (i.e., HB 861), we were told that it means the total number of dependent and independent special districts that are wholly or partially within the local government. As stated in #2 of our posted “Instructions for Completing Reporting Form” document, after you select the county or municipality, the form automatically fills several data items with the latest available official data. First, the Countywide or Municipal Population Estimate Less Inmates figure is currently based on the official April 1, 2018 estimates prepared***

**by the Bureau of Economic and Business Research (BEBR), University of Florida. Second, the county's or municipality's Median Household Income figure is based on the most recent U.S. Census Bureau's American Community Survey. Third, the Number of Special Districts figure is based on the Official List of Special District maintained by the Florida Department of Economic Opportunity's Special District Accountability Program. The number shown reflects the total number of dependent and independent special districts for which the county or municipality is listed as the local governing authority. Consequently, for these three items, you will not need to furnish anything; just review for accuracy. These statistics, for all county and municipal governments, are included in Excel files posted on the EDR's Local Government Financial Reporting website. These files will allow local government officials to review the data for accuracy.**

### Question

**This new law calls for "Median Income" - your source of data is for "Median Household Income" not per person income, yet spending is divided by individuals, not households? *The legislation specifies that county and municipal governments are to report median income within the jurisdiction. Since county and municipal governments typically don't collect income data on its residents, EDR choose to use "median household income" as the relevant statistic since these data are readily available from the U.S. Census Bureau's American Community Survey. Furthermore, as stated in #7 of our posted "Instructions for Completing Reporting Form" document, historical official population estimates (i.e., total estimate less inmates) for your jurisdiction will be used by EDR staff to calculate government spending per resident and government debt per resident for the preceding five years as required by the law. Specifically, the report to be published by EDR will use the population estimates as of April 1st of the relevant year as shown on EDR's website. For example, a jurisdiction's April 1, 2019 Estimate Less Inmate figure will be used to calculate per capita government spending and debt reported from the FY 2019-20 Adopted Budget.***