

Local Government Financial Reporting Pursuant to Chapter 2019-56, L.O.F.

Answers to Frequently Asked Questions

(Revised October 1, 2020)

During last year's 2019 reporting cycle, EDR received questions from local government officials regarding the new local government financial reporting requirements. EDR's updated answers to last year's questions are summarized below.

Answers to General Questions about this Reporting Requirement

This reporting requirement only applies to county and municipal governments. Independent special districts are not required to report. Furthermore, dependent special districts do not have to report separately. However, the spending, debt, employee, salary, and benefits data for any CRA, as well as any other dependent special districts, should be included in the local government's report.

After you submit the form for this year's 2020 reporting cycle, there will be nothing further you will need to do this year. During next year's 2021 reporting cycle, you will have the opportunity to revise government spending figures for FY 2020-21.

Answers to Questions about Total Government Spending and Total Debt

In recording FY 2020-21 and FY 2019-20 government spending, please use the FY budget that is in effect at the time you report. EDR is aware of the statutory provisions of sections 129.06(2) and 166.241(5), F.S., that allow the governing body, within the first 60 days of a fiscal year, to amend the budget for the prior fiscal year. EDR recognizes that the FY 2020-21 and FY 2019-20 figures that will be reported by October 15, 2020, may be different next year. EDR will caveat that the spending figures reported by local governments in October 2020 could be amended after the reporting deadline. EDR will not be asking local governments to amend their 2020 reporting. During next year's 2021 reporting cycle, local governments will have the opportunity to update FY 2020-21 spending figures as reflected in the amended or final budget.

The reporting of county government's Total Government Spending and Cost of Pay Off Current Debt Obligations should include the BOCC and all constitutional offices.

EDR interprets the legislation to ask for total government spending from all funds, not just the general operating fund. Same answer for employee section. Total government spending should include any component units.

The government spending categories used in this form are the same expenditure 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

For each category of debt within the Cost of Pay Off Current Debt Obligations, please report the amount of outstanding principal only. Exclude interest. Include only bonds, loans, and other financial arrangements such as certificates of participation. Capital lease obligations should not be reported. A Covenant to Budget and Appropriate (CBA) should not be reported.

Answers to Questions about Employees, Salary, and Benefits

A county government's 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). For municipal governments, elected officers should be excluded as well.

During EDR's pre-testing of last year's forms, 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.

During EDR's pre-testing of last year's 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. When you open the reporting form, and hover over the question mark (?) next to Total Expenditure for Benefits, the following description is provided ... "Total benefits, as classified by your local government, for authorized or established positions. Exclude all elected officials." Consequently, the Benefits category should include those items that your jurisdiction considers as benefits.

Permanent part-time employees should be reported in Regular or Permanent Employees and the total number of such employees should be reported as FTEs. Any unpaid volunteers should be excluded from the Number of Employees count.

Answers to Questions about the Reporting of Affordable Housing Expenditures

Question: Is the intent of the question to report: 1) the dollars spent for/on affordable housing units which are built in partnership with a non-profit (or for-profit) developer such as Habitat for Humanity?, or 2) would it pertain to Affordable Housing provided as rental units to homeless individuals through ESG Rapid Re-Housing?

Answer from House of Representatives staff: In ch. 2020-27, LOF, (CS/CS/CS/HB 1339), sections 2 (county budgets) & 7 (municipal budgets), the identical language requires the reporting entity to report annual expenditures “providing for the financing, acquisition, construction, reconstruction, or rehabilitation of housing that is affordable, as that term is defined in s. 420.0004.” That definition in 420.0004(3): “‘Affordable’ means that monthly rents or monthly mortgage payments including taxes, insurance, and utilities do not exceed 30 percent of that amount which represents the percentage of the median adjusted gross annual income for the households as indicated in subsection (9), subsection (11), subsection (12), or subsection (17)” [of 420.0004].

The new law requires reporting of all funds expended for the affordable housing purpose, whether expended jointly with a non-profit builder to develop a project or for the “financing, acquisition, construction, reconstruction, or rehabilitation of housing” used to provide rental homes for homeless. These sections do not appear to require reporting the operation of existing units used for Rapid Re-Housing if that doesn’t involve “financing, acquisition, construction, reconstruction, or rehabilitation of housing.” Expenditures for buying and rehabbing an apartment complex to provide affordable housing would be reported under these sections. Providing grants or stipends enabling homeless to stay in existing housing units apparently would not, under these two sections in the law. Such expenditures for grants, etc., not involving the “financing, acquisition, construction, reconstruction, or rehabilitation of housing” could be reported elsewhere, if required, but apparently not by sections 2 or 7 of ch. 2020-27, LOF.

In answer to the question: the information under category 1) [the dollars spent for/on affordable housing units which are built in partnership with a non-profit] would be reported. The information under category 2) [Affordable Housing provided as rental units to homeless individuals through ESG Rapid Re-Housing] should be reported if providing such units involved the “financing, acquisition, construction, reconstruction, or rehabilitation of housing” in that budget year.

Question: I had a question in regards to reporting on the new affordable housing expenditures section. Do we include any unspent FY20 funds that will roll over to FY21 in the “FY 2020-2021 Final Adopted Budget” figures? For the most part we do not adopt original budgets for our

grant funded revenues and expenses. Per our policy we amend the current year budget when the agreements are executed and approved by our City Commission.

Answer: Yes, please include any unspent FY20 funds that will roll over to FY21 in the “FY 2020-2021 Final Adopted Budget” figures.