

# **CITY FINANCE OFFICE**

## **2016 Annual Report**

### **Mission:**

The mission of the Finance Department is to provide timely and accurate financial information to the city management and to the public, and to provide fiscal responsibility and accountability focused on the highest degree of customer service, honesty, and integrity.

### **Department Overview:**

#### **Description:**

The Finance Department is responsible for collecting, disbursing and accounting for all the City's funds. We are a support service for City departments, including BMU and Brookings Health System, the City Manager, Council, and citizens of Brookings.

#### **Collection Services:**

On a daily basis, we collect, receipt, and deposit funds, oversee the credit card activity, and monitor the activity on our bank accounts. Weekly, we receive all the invoices from the various liquor distributors which we then process and bill the alcohol operating agreement establishments for their purchases for the preceding week. This billing averages \$100,000-\$125,000 a week. In addition, to liquor, we also process, and bill customers for other services provided by City Departments.

#### **Disbursing Services:**

On a weekly basis we process and pay the City bills, and monthly process and pay credit cards (pcard). The weekly batches can vary from tens of thousands to millions depending on what is occurring within the City. We scan processed invoices which are stored on our accounting software and can be accessed by City staff for reference. The payroll process includes weekly steps of approval and review, and the monthly processing of the actual payroll to employees. Monthly payroll, including benefits, can run from \$825,000 to \$950,000 depending on the season.

#### **Accounting Function:**

In addition to the above, we are responsible for a variety of accounting functions which include the following: preparing and monitoring the annual budget, debt management, tracking and accounting for capital assets, grant monitoring and administration, banking and investments, ensuring proper internal controls are in place throughout the City to prevent errors, misstatements, or fraud, processing year end 1099's, W2's, 1095's, and other various activities.

The Finance Department compiles the City entities (including BMU and BHS) financial information into the Comprehensive Annual Financial Report (CAFR) following General Accepted Accounting Standards. This report along with our procedures is audited by an outside firm annually.

The department consists of 4 full-time employees who are crossed trained and able to do multiple department functions. 1-Finance Director, 3-Accounting Specialists.

**2016 Highlights:**

1. Finance staff, Assistant to City Manager and IT staff have set up and implemented Socrata Open Budget and will release to the public early 2017. This software allows the public access to the City's budgeted and actual revenue and expenditure data in a searchable format on the internet.
2. The department focused on streamlining processes and paperwork. We received additional training on software modules to ensure that we are using the software to its potential and working smarter not harder. Efforts were made to clean up our data bases, files, and eliminate unnecessary reports. Changes were made to the 2017 budget so that excessive transferring of funds were eliminated and those expenditures are made directly from the source fund. Funds that are no longer active were closed to keep accounting records clean.
3. Some department duties were reorganized and rotated among the staff. The payroll function was moved back to the Finance department and the benefits function moved back to Human Resources.
4. We reviewed and updated City's investment procedures and policy in order to be good stewards of the taxpayer's money. We implemented a new process to go out for competitive bids for CD's and investments. We are in the process of establishing a laddered investment structure for the City Department pooled funds (excluding BMU and BHS) so that a portion of the total available to invest matures monthly and is reinvested out 6-months, 12-months and 24-months. The intent is to balance the portfolio and reduce risks of swings in interest rates.
5. For the fourth consecutive year we received the Government Finance Officers Association's Award for Excellence in Financial Reporting for our Comprehensive Annual Financial Report. Brookings is one of four cities in South Dakota to receive this prestigious award. One benefit of the award is bond rating agencies tend to look favorably on organization that achieve this recognition. The City's bonds are rated as follows: 2014A (sales tax revenue) Moody's A1; 2010A (sales tax revenue) is rated AAA by S&P and Aa3 by Moody's, all very respectable for a City our size.
6. We implemented various new year-end reporting requirements including the following: GASB 68 new accounting standards relating to pension reporting; Affordable Care Act reporting which included coordinating with the other entities (BMU & BHS) to ensure all submission were successful.

For detailed information regarding the City's finances please see the City's Comprehensive Annual Finance Report (CAFR) located on the website.