

PROGRAM HIGHLIGHTS**FINANCE ACCOUNTING**

| <u>SERVICE INDICATORS</u> | <u>Actual 2012</u> | <u>Actual 2013</u> | <u>Estimated 2014</u> | <u>Projected 2015</u> |
|--|------------------------|------------------------|---------------------------|---------------------------|
| 1. Accounts Payable Checks Issued | 8,849 | 8,646 | 8,470 | 8,470 |
| 2. Federal 1099 Forms Issued (12/31) | 291 | 351 | 380 | 380 |
| 3. Payroll Checks Issued | 7,083 | 6,371 | 6,270 | 6,270 |
| 4. Federal W-2 Statements Issued (12/31) | 627 | 656 | 680 | 680 |
| 5. Property Liability Insurance Claims Processed | 73 | 78 | 100 | 100 |
| 6. Financial Report (prior FY) Delivery Date | 12/20/12 | 12/20/13 | 11/30/14 | 11/30/15 |
| 7. G/L Fiscal Year End Close | 9/30/12 | 9/30/13 | 8/31/14 | 8/31/15 |
| 8. Internal Audits Conducted | 2 | 2 | 2 | 2 |
| 9. Direct Deposit participation rate | 68% | 69% | 80% | 80% |

2015 GOALS

1. Receive an unqualified audit opinion and successfully address all management letter findings.
2. Qualify for and receive the Government Finance Officers Association (GFOA) Certificate of Achievement in Financial Reporting for the FY 2014 Comprehensive Annual Financial Report (CAFR).
3. Continue to prepare for implementation of GASB 68 by FY 2015.
4. Accelerate FY 2014 year-end closing process, with audit field work to begin on or around September 15, 2014. This will be one month earlier than any prior City audit.
5. Continue utilization of Logos Business Analytics to simplify and improve Accounting Division analysis and reporting.
6. Continue to direct the Miscellaneous Billing (MB) Continuous Improvement Team in standardizing MB processing and work with the Finance-Treasury Division to improve MB Accounts Receivable collections.
7. Continue to analyze the Division's operating and reporting procedures and continue to streamline processes.
8. Develop internal monthly financial statements for all Capital Project and Special Revenue funds.
9. Work with IT to research and coordinate departmental reviews of time management recording software, with a goal of building a comprehensive and standardized time keeping system for the City which will integrate with our ERP system.

2014 GOALS STATUS

1. Receive an unqualified audit opinion and successfully address all management letter findings.
9-Month Status: An unqualified audit opinion was received on December 20, 2013 with the FY 2013 Comprehensive Annual Financial Report (CAFR). In response to Melanson Heath's single management letter recommendation to monitor and improve departmental receipt procedures, the Accounting Division is working with the Treasury Division to update the City's Cash Receipts Manual, review the procedures with City Departments and work to establish a policy which provides for secondary employees to submit deposit to Collections when primary individuals are unavailable to do so.
2. Qualify for and receive the Government Finance Officers Association (GFOA) Certificate of Achievement in Financial Reporting for the FY 2013 Comprehensive Annual Financial Report (CAFR).
9-Month Status: The City submitted its FY 2013 CAFR to GFOA on December 20, 2013. If achieved, the City should receive notification and receipt of GFOA's Certificate of Achievement in August 2014.

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3. In cooperation with the Assessing Department and Treasury Division, complete and submit all final documents to the Department of Revenue Administration (DRA) in order to obtain a certified tax rate no later than October 31st of each year.
9-Month Status: The MS1, MS2, MS4, MS5 and MS6 have been delivered to the Department of Revenue Administration (DRA). The City received its tax rate certification on November 8, 2013.
4. Continue to prepare for implementation of GASB 68 by FY 2015.
9-Month Status: A preliminary discussion with Melanson Heath occurred on October 15, 2013. Additional discussions will be forthcoming.
5. Utilize Logos Business Analytics to simplify and improve Accounting Division analysis and reporting.
9-Month Status: A reconciliation of the City's amended budget was created using Logos Business Analytics. Additionally, it is being used to track weekly Fire Department overtime, calculate monthly NH Retirement System payments, reconcile interfund transfers and assist in the weekly review of Department payroll hours. Business Analytics is also being used for labor negotiation costing. This has already proven to be a powerful and important tool in simplifying and streamlining some of our fundamental processes.
6. Complete monthly close and produce internal financial statements by the 15th of each month.
9-Month Status: Financial statements for seven of the first eight months of FY 2014 were completed by the 15th of the following month. The Treasury Division has been a key component in our success, as they have worked diligently to process all cash batches each month.
7. Accelerate FY 2013 year-end closing process, with a targeted completion date of September 15, 2013.
9-Month Status: Preliminary FY 2013 financial statements were issued August 14, 2013. All but several year-end adjustments were completed by September 15, 2013. Field work for the FY 2013 audit was completed in six days, one day less than the FY 2012 audit.
8. Continue to direct Miscellaneous Billing (MB) Continuous Improvement Team in standardizing MB processing and work with Finance-Treasury Division to improve MB Accounts Receivable collections.
9-Month Status: We have continued to adhere to the weekly and monthly processing schedules established in FY 2013 for MB adjustments and statements, respectively. Plans are being made to meet with departments in April 2014 to gather input for further MB improvements. Vacancies in several positions in the Accounting Division have delayed our projected meeting time.
9. Continue to analyze the Finance-Accounting Division's operating and reporting procedures and continue to streamline processes.
9-Month Status: There has been continued delegation of duties, particularly in the review and production of monthly financial statements. Staff members have been working to resolve long outstanding balance sheet items and are reconciling accounts monthly rather than just at year-end.

BUDGET DETAIL

FINANCE ACCOUNTING

| | 2011 ACTUAL | 2012 ACTUAL | 2013 ACTUAL | 2014 BUDGETED | 2014 ESTIMATED | 2015 BUDGET |
|-----------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| REVENUE | | | | | | |
| A/R FINANCE CHARGE | \$5,882 | \$2,252 | (\$655) | \$3,200 | \$1,200 | \$3,200 |
| Total | \$5,882 | \$2,252 | (\$655) | \$3,200 | \$1,200 | \$3,200 |
| APPROPRIATIONS | | | | | | |
| COMPENSATION | \$275,615 | \$328,615 | \$337,061 | \$344,730 | \$335,100 | \$352,039 |
| OUTSIDE SERVICES | \$103,326 | \$46,973 | \$53,607 | \$64,320 | \$50,880 | \$54,605 |
| SUPPLIES | \$2,707 | \$2,672 | \$1,624 | \$2,800 | \$2,800 | \$2,800 |
| INSURANCES | \$3,851 | \$4,407 | \$4,459 | \$1,370 | \$1,360 | \$1,160 |
| FRINGE BENEFITS | \$97,804 | \$119,858 | \$145,126 | \$154,620 | \$140,060 | \$159,969 |
| Total | \$483,303 | \$502,526 | \$541,876 | \$567,840 | \$530,200 | \$570,573 |

| <u>POSITION TITLE</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------------|-------------|-------------|--------------|---------------|
| Assistant Finance Director | 0.0 | *1.0 | 1.0 | 1.0 |
| Controller | 1.0 | *0.0 | 0.0 | 0.0 |
| Senior Accountant | 1.0 | 1.0 | 1.0 | 1.0 |
| Accountant | 1.0 | 1.0 | 1.0 | 1.0 |
| Fiscal Supervisor | 1.0 | 1.0 | 1.0 | ***0.0 |
| Fiscal Technician II | 2.0 | 2.0 | **0.0 | 0.0 |
| Fiscal Technician III | <u>0.0</u> | <u>0.0</u> | <u>**2.0</u> | <u>***3.0</u> |
| Total | 6.0 | 6.0 | 6.0 | 6.0 |

* Controller position eliminated and Assistant Finance Director position added as of 6/30/12.

** Fiscal Technician II positions were upgraded to Fiscal Technician III effective 7/1/13.

*** Fiscal Supervisor position was replaced with a Fiscal Technician III position during FY 2014.

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FUNDING IMPACT

This budget contains no significant funding changes.