


SUBJECT: Financial Reporting	NUMBER: 17.02.030
RESPONSIBLE OFFICER: CFO, Administrative Service Department, City Treasurer	EFFECTIVE DATE: 4/09/2018
POLICY OWNER: CFO, Administrative Services Department, City Treasurer	LAST UPDATED:
POLICY CONTACT: CFO, Administrative Services Department, City Treasurer	APPROVED:  Kurt O. Wilson

POLICY

The City of Stockton is required to meet numerous financial accounting and statutory reporting mandates of local, state, and federal agencies. The City shall maintain clear, accurate, and understandable financial reporting that provides accountability and transparency for all components of the City's financial affairs and ensures compliance with applicable statutory and other regulatory requirements.

The City's financial reports must meet requirements established by applicable governmental regulatory oversight organizations. In its preparation of financial reports, the City will conform to Generally Accepted Accounting Principles as promulgated by the Generally Accepted Accounting Principles (GAAP) and the Governmental Account Standards Board (GASB).

The City shall also maintain a system of financial monitoring, internal controls, and reporting for all operations, funds, and agencies to provide an effective means of ensuring that overall City goals and objectives are met, as well as to provide the community with accurate and timely financial information that communicates the City of Stockton's economic condition and financial status. The City's Comprehensive Annual Financial Report, annual financial audit, and other financial reports will be made available for public inspection and, to the extent practicable, be posted on the City's web site.

Financial reports include the following:

- Monthly Financial Reporting – City departments should prepare monthly reports to program managers and department heads within 30 days after the last day of the month to compare budgeted revenues and expenditures to actual revenues and expenditures.
- Quarterly Financial Reporting - The Chief Financial Officer will advise the City Council of the current financial outlook. This report should include a comparison of budgeted revenues and expenditures to actual revenues and expenditures and material financial information, both

negative and/or positive, including an assessment of the potential impact to the City budget and its financial condition. The City will strive to issue these budgetary basis reports within 90 days after the last day of the quarter with the exception of the fourth quarter/year-end report, which should be completed within 180 days.

- Comprehensive Annual Financial Report (CAFR) – The City shall prepare a CAFR each year that must be prepared in accordance with GAAP, GASB, state and federal laws and regulations. The report should also meet the requirements of the Governmental Finance Officers' Association's Certificate of Achievement of Excellence in Financial Reporting.
- Annual Financial Audit - The City will contract for an annual audit by a qualified independent certified public accountant. An external audit report provides assurance to City Council that accounting records are complete and comply with GAAP. The City will issue audited financial statements within 180 days after fiscal year-end.

In order to ensure transparency and consistency Citywide, all other financial reports issued by the City should use the best available data as the basis for reporting, which in most cases should be consistent with audited information as presented in the CAFR or the budget status reports for budgetary basis reporting. City financial reports should identify the source of the data. The CFO or designee should review and validate data before release of financial reports.

RESPONSIBILITIES

Director of Administrative Services/ CFO

- Prepare Annual Budget
- Make quarterly budget status report presentations to City Council
- Prepare CAFR and other external financial reports
- Coordinate and manage all financial audits

Budget Office

- Develop and maintain budget policies and procedures
- Prepare budget status reports for presentation to City Council

Accounting Division

- Develop and maintain accounting policies and procedures
- Prepare financial reports, excluding budgetary basis reports, according to regulatory standards

City Employees

Assist work of Administrative Services and External Auditor by providing information or documents upon request

RELATED POLICIES

17.01.070 – Accounting

17.02.020 – External Audit

RELATED FORMS, DOCUMENTS, OR LINKS

Financial Reports

<http://www.stocktonca.gov/government/departments/adminServices/finRep.html>

FREQUENTLY ASKED QUESTIONS

N/A

UPDATE HISTORY

N/A
