

# City of Tampa, Florida

## Notes to Schedules of Federal and State Financial Assistance

September 30, 2000

### **1. Summary of Significant Accounting Policies**

The accounting policies and presentation of the schedules of federal and state financial assistance of the City of Tampa, Florida (the City) have been designed to conform to generally accepted accounting principles as applicable to governmental units, including the reporting and compliance requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

#### **Reporting Entity**

OMB Circular A-133 sets forth the audit and reporting requirements for federal financial assistance. The City has included schedules of both federal and state financial assistance in the single audit section. Financial assistance received directly from the State of Florida is included to satisfy the audit requirements of the State of Florida grantor agencies.

Schedules include all federal and state financial assistance received by the City and its component units.

#### **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed in the schedules of federal and state financial assistance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liability is incurred. In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid

## City of Tampa, Florida

### Notes to Schedules of Federal and State Financial Assistance (continued)

#### **1. Summary of Significant Accounting Policies (continued)**

to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and substantially irrevocable (i.e., revocable only for failure to comply with prescribed compliance requirements, such as with equal employment opportunity). These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criteria.

#### **2. Contingencies**

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City. As of November 22, 2000, there were no material questioned or disallowed costs as a result of grant audits in process or completed.