

## 2016 County Annual Financial Report [DCED-CLGS-20] Tip Sheet

### **IMPORTANT POINTS TO REMEMBER WHEN SUBMITTING YOUR ONLINE COUNTY ANNUAL FINANCIAL REPORT:**

- Please note that the Municipal Statistics URL is changing. Beginning November 15, you may access the Municipal Statistics login page directly, by typing the following NEW address in your web browser: [munstats.pa.gov/forms/](http://munstats.pa.gov/forms/)
- Once you are logged in, access to the 2016 County Annual Financial Report form is obtained by clicking the link on your *Start Page* under *Your Pending Tasks* titled 2016 Annual Financial Report. Please note that links for this form will not be available on user “Start Pages” until *after* January 1, 2017.
- You must check the certification box at the final review step and then click the confirm button to submit your online *County Annual Financial Report* to DCED. Simply clicking “save and exit” will not complete your submission.
- The due date for the County Annual Financial Report form is July 1<sup>st</sup>.

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### **E-FILING INSTRUCTIONS**

#### **Registered E-filers**

If you have already registered to e-file with DCED, please go to [munstats.pa.gov/forms/](http://munstats.pa.gov/forms/) and enter your existing username and password, and click “Log In.”

#### **New E-filers**

Those who are e-filing for the first time must complete a registration form by going to:

[munstats.pa.gov/forms/](http://munstats.pa.gov/forms/) Click the “Register” button in the lower left corner of the *Log in to Municipal Statistics* box. Once the online registration form is completed, it must be signed by the appropriate county official. For your convenience and quick approval, you may fax the completed authorization form to us at 717-783-1402. During the registration process you can now set up your own password. The password you choose must be at least eight characters in length with at least one upper case character, one lower case character, and one number. You will not be able to use this password until DCED receives your completed E-filer Authorization Form and activates your e-filing privileges in the Municipal Statistics System. When logging in to the Municipal Statistics System, always make sure you are entering your user name and password in the *Log in to Municipal Statistics* box to e-file your information.

#### **An existing PA Powerport user with username and password**

If you have not registered with DCED, but have a PA Powerport username and password from other online state systems, you will use it for DCED by registering on-line at: [munstats.pa.gov/forms/](http://munstats.pa.gov/forms/) Click the “Log in” button in the lower right corner of the *Log in to Municipal Statistics* page, after entering your PA Powerport username and password. You will automatically be directed to the registration page. Please follow the directions for “**New E-Filers**” above.

#### **Existing Municipal Statistics Log-In Users**

If you have not accessed the Municipal Statistics System Login site in the past 60 days, you will need to change your password before logging in. You can do this by clicking the link, “Forgot your user name or password?” in the *Log in to Municipal Statistics* box and following the prompts. Once you have created a new password in the *Security* section of the online form, be sure to click the *Submit* button at the bottom (do not hit the *Enter* key on your computer keyboard). You will receive an e-mail with your user name and a system generated, password. Please make sure that you return to the *Log in to Municipal Statistics* box to log in and e-file your DCED forms.

**Please Note** - In order to function correctly, the Municipal Statistics website requires the following:

- Microsoft Internet Explorer 9 or later (also compatible with Google Chrome web browser)
- You may e-file from any computer with Internet Explorer.

### **GENERAL INFORMATION**

All counties are required to e-file the DCED *2016 County Annual Financial Report*. In order to e-file, you must have an authorized user name and password. If you are not currently registered to e-file, please refer to the section titled “E-FILING INSTRUCTIONS” on this tip sheet. You may also contact the Governor’s Center for Local Government Services, toll-free at 888-223-6837 for registration and online filing assistance. Paper copies of the form may be used as worksheets and can be found at: <http://dced.pa.gov/local-government/municipal-statistics/> Click on “Audit Worksheets”. Please note that the DCED will no longer accept a paper copy of the Audit.

**Rounding** – all figures are automatically rounded to the nearest whole dollar.

**Footing & Cross-Footing** – the system will add all rows and columns, following basic accounting principles.

#### **Navigating through the on-line form:**

The online *County Annual Financial Report* is divided into 13 steps, which must be completed in order.

After entering the data on a screen, click “Next” at the bottom of the page.

It is recommended that you click “Save” periodically to avoid any loss of data while working in the online form. (The “Save” button allows you to save data without exiting the form.)

You may click “Save & Exit” at the bottom of the page, at any point, to save the data you’ve entered and exit the form.

## **ON-LINE COUNTY ANNUAL FINANCIAL REPORT SCREEN TIPS**

### ***SCREEN 1: SELECT MAJOR FUNDS***

Choose your major funds in the same order you did in the previous year. Follow with any new major funds used in the current reporting year. For all FUND selections, if a fund is not listed in the dropdown selection in this section, you may select “Other” and type in the name of the fund.

#### **MAJOR GOVERNMENTAL FUNDS**

You may select from 0 to 5 Major Governmental Funds in Step 1.

In the Major Governmental Funds section, the following columns will automatically be provided in Steps 2 and 3:

General Fund

Permanent Fund

Other Governmental Funds

**You will not need to choose the above funds as part of your Major Governmental Funds selections.**

General Fund Column - the online *County Annual Financial Report* form will automatically include a “General Fund” column in Steps 2 and 3.

Permanent Fund Column - due to programming that was done in the Fund Balance section to accommodate the Fund Balance expansion, the on-line form will automatically include a “Permanent Fund” column in Steps 2 and 3.

Other Governmental Funds Column – all non-major Governmental Funds in each set of statements will be consolidated into a column entitled “Other Governmental Funds” which will automatically be included in Steps 2 and 3.

#### **MAJOR ENTERPRISE FUNDS**

You may select from 0 to 5 Major Enterprise Funds in Step 1.

In the Major Enterprise Funds section, the following columns will automatically be provided in Steps 5 and 6:

Other Business Funds

Internal Service Fund

**You will not need to choose the above as part of your Major Enterprise Funds selections.**

Other Enterprise Funds Column – all non-major Enterprise Funds in each set of statements will be consolidated into a column entitled “Other Enterprise Funds” which will automatically be included in Steps 5 and 6.

Internal Service Fund Column – this a Proprietary fund type column that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. The “Internal Service Fund” column will appear in Steps 5 and 6.

### **FIDUCIARY FUND TYPES**

All fiduciary funds can be classified into four fund types: Pension (and other employee benefit trust funds), Investment trust funds, Private-purpose trust funds, and Agency funds.

### **BUSINESS RULE**

You must select at least 1 Fiduciary Fund in Step 1.

## ***SCREEN 2: BALANCE SHEET – GOVERNMENTAL FUNDS***

**Deferred Outflows of Resources:** The 2012 GFOA Blue Book defines a deferred outflow of resources as “a consumption of net position by the government that is applicable to a future reporting period.”

**Deferred Inflows of Resources:** The 2012 GFOA Blue Book defines a deferred inflow of resources as “an acquisition of net position by the government that is applicable to a future reporting period.”

*Fund Balance.* The Governmental funds may report up to five different components of fund balance which are designed to indicate both the constraints on how resources of the fund can be spent and the sources of those constraints. *Source: 2012 GFOA Blue Book*

Financial statements of governmental funds may report up to five components of fund balance:

- Nonspendable Fund Balance
- Restricted Fund Balance
- Committed Fund Balance
- Assigned Fund Balance
- Unassigned Fund Balance

Because circumstances differ among governments, not every government or every governmental fund will present all of the above components.

For more of an explanation regarding these new sections, please go to <http://dced.pa.gov/local-government/municipal-statistics/> Click on “Audit Worksheets”.

### **BUSINESS RULES**

*Total Assets and Deferred Outflows of Resources* must equal *Total Liabilities and Deferred Inflows of Resources* plus *Total Fund Balance*.

### **Fund Balance Section**

The *Total Fund Balance* line is automatically calculated using the following business rule: *Total Assets and Deferred Outflows of Resources* minus *Total Liabilities and Deferred Inflows of Resources*. The *Calculated Fund Balance* line will automatically total as you enter numbers on the appropriate fund balance lines for each fund column.

Please note that the *Total Fund Balance* line must equal the *Calculated Fund Balance* line for all columns.

The *Restricted*, *Committed* and *Assigned* Fund Balances must be reported separately on lines provided and sufficiently described.

In the **General Fund column**, the majority of the fund balance would be expected to be seen in *Unassigned Fund Balance*.

- Unassigned Fund Balance may be positive, zero or negative
- Nonspendable Fund Balance – not in spendable form may be zero or positive
- Nonspendable Fund Balance – requirement to be maintained intact may be zero or positive
- Restricted Fund Balance may be zero or positive
- Committed Fund Balance may be zero or positive
- Assigned Fund Balance may be zero or positive

In the **Major Funds selected by the user columns**, the majority of the fund balance would be expected to be seen in *Restricted Fund Balance*.

- Restricted Fund Balance may be zero or positive
- Nonspendable Fund Balance – not in spendable form may be zero or positive
- Nonspendable Fund Balance – requirement to be maintained intact may be zero or positive
- Committed Fund Balance may be zero or positive
- Assigned Fund Balance may be zero or positive
- Unassigned Fund Balance may be zero or negative

In the **Permanent Fund column**, the majority of the fund balance would be expected to be seen in *Nonspendable Fund Balance – requirement to be maintained intact*.

- Restricted Fund Balance may be zero or positive
- Nonspendable Fund Balance – not in spendable form may be zero or positive
- Nonspendable Fund Balance – requirement to be maintained intact may be zero or positive
- Committed Fund Balance may be zero or positive
- Assigned Fund Balance may be zero or positive
- Unassigned Fund Balance may be zero or negative

In the **Other Governmental Funds column**, the majority of the fund balance would be expected to be seen in *Restricted Fund Balance*.

- Restricted Fund Balance may be zero or positive
- Nonspendable Fund Balance – not in spendable form may be zero or positive
- Nonspendable Fund Balance – requirement to be maintained intact may be zero or positive
- Committed Fund Balance may be zero positive
- Assigned Fund Balance may be zero or positive
- Unassigned Fund Balance may be zero or negative

At the bottom of Screen 2, you must provide amounts for the reconciling differences between the *Net Position of Governmental Activities* to the *Total Fund Balance*". The *Net Position of Governmental Activities* in the *Balance Sheet – Governmental Funds* must equal the *Net Position – End of Year* in the *Government-wide Statement of Activities* for the General Fund.

### **SCREEN 3: STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**

The tax revenue reported in the *Taxes* section of this screen is compared to the *Tax Information Form* for the same reporting year.

#### **BUSINESS RULES**

*Change in Fund Balance* is calculated as *Total Revenues* minus *Total Expenditures* plus *Total Other Financing Sources/(Uses)*.

*Fund Balance – Beginning of Year* is the fund balance reported to DCED in the prior fiscal year. Indicate errors or missed adjustments in amounts affecting the fund balance reported to DCED in the prior fiscal year, that were not the subject of an amended report, on the *Prior Period Adjustment* line.

Each tax entered in the *Taxes* section of the *Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds* will have a corresponding entry in the *Government-wide Statement of Activities*.

Please note the line item *Corrections* in the *Expenditures* section of the *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* as well as the *Governmental Activities* section of the *Government-wide Statement of Activities*. This line item includes accounts for recording expenditures for confinement of law violators and for probation and parole activities involved in their rehabilitation. Examples of expenses included in this line are: correctional administration, adult correctional institutions, juvenile correctional institutions, delinquents in other institutions, adult probation and parole and juvenile probation and parole. All *Other Public Safety* related expenses should continue to be reported on the *Public Safety* line item.

#### **SCREEN 4: RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Any/all values in this step may be positive or negative.

##### **BUSINESS RULES**

*Net Changes in Fund Balance – Total Governmental Funds* (first line on this statement) is the balance brought forward from *Total Change in Fund Balance* in the *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*.

*Changes in Net Position of Governmental Activities*” is calculated as the sum of all items on this page.

You must enter at least one number in this section.

#### **SCREEN 5: STATEMENT OF NET POSITION-PROPRIETARY FUNDS**

**Deferred Outflows of Resources:** see definition under the *SCREEN 2* section

**Deferred Inflows of Resources:** see definition under the *SCREEN 2* section

The *Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds* in this statement may be a negative number.

##### **BUSINESS RULES**

*Total Assets and Deferred Outflows of Resources* must equal *Total Liabilities and Deferred Inflows of Resources* plus *Total Net Position*.

*Net Position of Business-type Activities* is calculated as *Total Net Position* under the *Total Enterprise Funds* column plus *Adjustments to reflect consolidation of internal service fund activities related to enterprise funds*.

#### **SCREEN 6: STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS**

Any/all values in the *Non-operating Revenues/(Expenses)* section of this statement may be positive or negative.

The following lines in this statement will also accept either positive or negative numbers:

- Capital Contributions
- Transfers In/Out

- Net Position – Beginning of Year
- Prior Period Adjustment
- Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds

### **BUSINESS RULES**

*Net Position – End of Year* in the *Statement of Revenues, Expenses and Changes in Fund Net Position-Proprietary Funds* must equal *Total Net Position* in the *Statement of Net Position-Proprietary Funds*.

The *Change in Net Position* line is calculated as *Operating Income* plus *Total Nonoperating Revenues/(Expenses)* plus *Operating Transfer In/(Out)*.

The *Net Position – End of Year* line is calculated as *Net Position – Beginning of Year* plus *Prior Period Adjustments* plus *Change in Net Position*.

*Changes in Net Position of Business-type Activities* is calculated as *Change in Net Position* under the “Business Total” column plus *Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds*.

## ***SCREEN 7: STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS***

**Deferred Outflows of Resources:** see definition under the *SCREEN 2* section

**Deferred Inflows of Resources:** see definition under the *SCREEN 2* section

Fiduciary fund statements present a single column for each fund type and do not report a total column.

### **BUSINESS RULES**

There must be at least one number in each major fiduciary fund column for every fiduciary fund selected in Step 1.

*Total Assets and Deferred Outflows of Resources* must equal *Total Liabilities and Deferred Inflows of Resources* plus *Total Net Position*.

## ***SCREEN 8: STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS***

Only trust funds are reported in this statement.

Pension and OPEB plans present investment income and investment related expenses together within the additions section this statement. See: *Net increase/(decrease) in the fair value of investments* in the *Investment Earnings* subsection.

### **BUSINESS RULES**

*Change in Net Position* row is calculated as *Total Additions* minus *Total Deductions* for all rows.

*Net Position – End of Year* row is calculated as *Change in Net Position* plus *Net Position – Beginning of Year* plus *Prior Period Adjustments*.

*Total Net Position* in the *Statement of Fiduciary Net Asset* must equal *Net Assets – End of Year* in the *Statement of Changes in Fiduciary Net Position*.

## **SCREEN 9: DEBT STATEMENT**

Debt pieces on the debt statement will generally fall under one or more of the following categories on this statement:

- General Obligation Bonds and Notes
- Revenue Bonds and Notes
- Lease Rental Debt

*Guaranteed Debt Section (Optional Information).* DCED requests that if you have a GAAP basis financial statement with footnotes, that you provide the information for this section. This information can be found in the “Notes to the Financial Statements” from the audited financial statements prepared by the independent auditor. If providing this information, please include related amounts reported in the *Debt Statement*, if any. Do not include the following: debt payments that are incurred and paid off within the same fiscal year or other items such as workers compensation, other postemployment benefits, self-insurance, compensated absences, claim liabilities, etc.

### **BUSINESS RULES**

Required fields in this section include: Purpose, Issuance Type (specify “B” for bond or “N” for note), Issue Date, Maturity Date, Original Amount and Outstanding at Beginning of Year.

Note that numbers in the *Outstanding at Year End* column cannot be greater than numbers in the *Original Amount of Issue* column on this statement.

*Outstanding at Year End* in the *Debt Statement* is calculated as *Outstanding-Beginning of Year* plus *Principal Incurred This Year* minus *Principal Paid This Year* plus *Current Year Accretion on Compound Interest Bounds*.

*Net Debt* in the *Debt Statement* is calculated as *Total Outstanding at Year End* plus *Capitalized lease obligations* plus(less) *Unamortized Premium(Discount)*.

If there is an entry on the *Debt Service* line in the *Expenditures* section of the *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*, there must be an entry in the *Principle Paid* column of the *Debt Statement*.

If there is an entry in the *Long-term debt issued* line in the *Other Financing Sources/(Uses)* section of the *Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds*, there should be new debt on the *Debt Statement* or a draw of more principal on a line of credit.

If there is an entry on the *Debt due within one year* line in the *Current Liabilities* section of the *Statement of Net Position – Proprietary Funds*, then there must be at least one debt piece entered on the *Debt Statement*.

If there is an entry on the *Debt due in more than 1 year* line in the *Non-Current Liabilities* section of the *Statement of Net Position – Proprietary Funds*, then there must be at least 1 debt piece entered on the *Debt Statement*.

## **SCREEN 10: SCHEDULE OF CAPITAL ADDITIONS**

Capital additions on this schedule are reported by function and activity. Use the county’s capitalization threshold in determining which expenditures are capital in nature. Report the total capital additions excluding capital donations by function and activity.

### **BUSINESS RULES**

At least one capital addition must be entered in this schedule.

## **SCREEN 11: GOVERNMENT-WIDE STATEMENT OF NET POSITION**

**Deferred Outflows of Resources:** see definition under the *SCREEN 2* section

**Deferred Inflows of Resources:** see definition under the *SCREEN 2* section

### **BUSINESS RULES**

In the *Government-wide Statement of Net Position, Total Assets and Deferred Outflows of Resources* minus *Total Liabilities and Deferred Inflows of Resources* must equal *Total Net Position*.

*Total Net Position* in the *Governmental Activities* column in the *Government-wide Statement of Net Position* must equal *Net Position of Governmental Activities* in the *Balance Sheet – Government Funds*.

## **SCREEN 12: GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Please note the line item “Corrections” in the *Governmental Activities* section of the *Government-wide Statement of Activities*. See *SCREEN 3: STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION* for further explanation.

### **BUSINESS RULES**

The *Governmental Activities* column in the *Government-wide Statement of Activities* is calculated as *Charges for Service* plus *Operating Grants and Contributions* plus *Capital Grants and Contributions* minus *Expenses* for all rows.

*Change in Net Position* in the *Government-wide Statement of Activities* is calculated as *Total Primary Governments* plus *Total General Revenues and Transfers*.

*Net Position – End of Year* in the *Government-wide Statement of Activities* is calculated as *Change in Net Position* plus *Net Position-Beginning of Year* plus *Prior Period Adjustment*.

*Net Position – End of Year* in the *Government-wide Statement of Activities* must equal *Total Net Position* in the *Government-wide Statement of Net Position*.

For each of the following line items listed, if there is an entry in any of the columns, in the *Expenditure* section of the *Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds*, then there must be an entry in the *Expenses* column of the corresponding line in the *Government-wide Statement of Activities*:

- General Government – Administrative
- General Government – Judicial
- Public Safety
- Corrections
- Highways and Streets
- Sanitation
- Health and Welfare
- Culture-recreation
- Conservation
- Community/urban redevelopment and housing
- Economic Development and assistance
- Economic Opportunity

If there is an entry in any column in the *Charges for Service* line item in the *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* in any of the major fund columns, then there must be at least one entry in the *Charges for Service* column in the *Government-wide Statement of Activities*.

For each of the major business funds selected, there must be an entry in the *Expenses* column in the *Government-wide Statement of Activities*. Additionally, there must be an entry for at least one of the following in the *Government-wide*



*Statement of Activities: Charges for Service or Operating Grants and Contributions or Capital Grants and Contributions.*

If there is an entry in any column in the *Operating Expenses* section of the *Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds*, then there must be an entry in the *Expenses* column of the corresponding major business line in the *Government-wide Statement of Activities*.

If there is an entry in any column in the *Charges for Service* line item in the *Statement of Revenues, Expenses and Changes in Fund Net Position-Proprietary Funds*, then there must be an entry on the corresponding major business line in the *Charges for Service* column in the *Government-wide Statement of Activities*.

If there is an entry in any column in the *Operating Grants* line item in the *Statement of Revenues, Expenditures and Changes in Fund Net Position-Proprietary Funds*, then there must be entry on the corresponding major business line in the *Operating Grants and Contributions* column in the *Government-wide Statement of Activities*.

## **SCREEN 13: FINAL REVIEW AND CONFIRMATION INSTRUCTIONS**

To access the “Confirm” button for submitting your online report, you must place a checkmark in the box on the left, in either Section I or Section II of the Final Review step. **Section I** is for controllers and elected auditors, as well as independent auditors and CPA’s who agree to the language in this section. **Section II** is for independent auditors or CPA’s who wish to attach an opinion or accountant’s report in lieu of Section I.

When submitting the online County Annual Financial Report (AFR) to the DCED, please be aware that the report must be submitted by the appropriate elected or appointed official. Our verification of the confirmation section in the Final Review page of the online County AFR has been expanded to comply with the County Code and is based on the following code sections: 1720, 1721 and 1702.

### **For those Counties with Controllers:**

Per Section 1720 of the County Code, the County Controller is responsible for submitting the County AFR to the DCED before July 1. The DCED requires the Controller’s name and contact number in the confirmation section of the online *Final Review* page of the County AFR.

### **For those Counties with Elected Auditors:**

Per Section 1721(c), the County Auditors are responsible for submitting the County AFR to the DCED on or before July 1. The DCED requires 2 of the 3 elected auditors to provide names and contact numbers in the confirmation section of the online *Final Review* page of the County AFR.

### **For those Counties that contract with an independent CPA or Public Accountant:**

Per Section 1702(b), the county commissioners may contract with an independent CPA or public account “For the purpose of preparing or conducting a report or audit of the fiscal affairs of the county, independent of and/or in addition to, that conducted by the county controller or auditors. Such contracts shall be discussed with the controller prior to execution, and the controller shall be afforded an opportunity to comment.” The DCED will accept the name/firm name of an independent CPA/public accountant along with a contact number in the confirmation section of the online Final Review page of the County AFR.

### **If you are a Home Rule County:**

Home Rule counties must confirm the online audit in accordance with their Home Rule Charters.

**Call with Questions** — Feel free to call the Governor’s Center for Local Government Services (GCLGS) toll-free at 888-223-6837 if you have any questions when completing the *County Annual Financial Report*.