# ANNUAL REPORT OF MUNICIPAL AUTHORITIES AND NEIGHBORHOOD IMPROVEMENT DISTRICTS

[DCED-CLGS-04] TIP SHEET

## REPORTING REQUIREMENTS

The Municipal Authorities Act of 1945 as amended by Act 22 of 2001 requires every authority to file an annual report of its fiscal affairs covering the preceding fiscal year with the Department of Community and Economic Development (DCED) and with the incorporating entity creating the authority within 180 days after the end of their fiscal year. The Certified Public Account (CPA) must provide an audit report including a complete set of financial statements.

Act 130 of 2000 requires the Neighborhood Improvement District Management Associations to submit an audit of all income and expenditures to the DCED and the governing body of the municipality within 120 days after the end of each fiscal year.

The Annual Report of Municipal Authorities and Neighborhood Improvement Districts online form, supplied by the DCED, is the uniform form to be used by all municipal authorities and neighborhood improvement districts in Pennsylvania that are required to fulfill their statutory reporting requirements with the DCED.

## NEW KEYSTONE LOGIN SERVICE

The Commonwealth’s login service is changing. Beginning with the 2020 municipality forms filing period, every Municipal Statistics e-filer will be required to register in the new PA Keystone Login service. To learn more, please click the link titled, “PA Keystone Login Service Guide” under the General News section of the Municipal Statistics website (munstats.pa.gov/forms).

### Registered E-filers

After migrating your existing account to the PA Keystone Login service, existing e-filers may add an unlimited number of authorities to their account. To do this:

1. Go to munstats.pa.gov/forms and enter your user name and password, and click Log In.
2. Click My Profile in the navigation bar at the top of the page.
3. Go to Municipal Authorities at the bottom of your My Profile page, and type the full or partial name of the authority in the Search box. Click Select to choose from the dropdown list (your chosen authority will now appear on the left hand side under Municipal Authorities.)
4. To add another authority to your existing account, use the Search box as described above, then click Update once you have added all your authorities.
5. You must print a Municipal Statistics E-Filer Authorization for each authority you added by clicking the download link. (It is recommended that you print your Authorization before clicking the link in the blue shaded area of the screen to proceed).
6. Fax the completed Municipal Statistics E-Filer Authorization to the DCED at 717.783.1402. When your Authorization is received and approved by the DCED, you will receive an email indicating your e-filing privileges have been activated.

### First Time E-filers

Those who are e-filing for the first time must:

1. If you do not have a PA Keystone Login account, go to https://keystonelogin.pa.gov/Account/Register to register.
2. Use your PA Keystone user name and password to login in to Municipal Statistics at munstats.pa.gov/forms and complete the Municipal Statistics E-Filer Authorization form.
3. For Organization, select Authorities Only from the dropdown list.
4. After you select your Organization, a search box will appear to your right. To select your authority, type the full or partial name of the authority in the Municipal Authority Search: then select the appropriate authority from the dropdown list.
5. You have the option of registering for more than one authority, if needed. Each authority that is added will appear at the bottom of the registration page.
6. You must print a Municipal Statistics E-Filer Authorization for each authority you added by clicking the download link; then fax the completed Authorization to the DCED at 717-783-1402. When your Authorization is received and approved by the DCED, you will be sent an email indicating your e-filing privileges have been activated.
7. After your account is authorized, return to the Log in to Municipal Statistics screen, and log in with your user name and password.
ACCESSING THE ONLINE REPORT

Once the DCED has authorized your user name and password, you may use it to log in to the Municipal Statistics Log in page at: munstats.pa.gov/forms This site requires the use of Microsoft Internet Explorer 9 or later. (also compatible with Microsoft Edge and Google Chrome).

On your Start Page in the section Municipal Authorities and Neighborhood Improvement Districts, click on the link: Click here to file on behalf of an authority or neighborhood improvement district. This will take you to your Start Page. All authorized authorities will appear to the left. The center of the page will display the first authority from that list. If you wish to process the annual report for a different authority, click the authority from the list on the left. The link for accessing the report will be in the Your Pending Tasks section of the page. Once you click this link, the system will take you to the first step in the online form. Refer to the ONLINE REPORTS section below.

REFERENCE INFORMATION


The GFOA’s Blue Book provides practical guidance in the preparation and presentation of the statements contained herein.

Authority Non-Profits may refer to the Department of the Treasury, Internal Revenue Service’s Instructions for Form 990.

ONLINE REPORT OVERVIEW

The system will only accept whole numbers in the financial statement forms. It will also total the column following basic accounting principles.

There are two types of messages that may be encountered in the online system as you are enter data:

• Yellow Warning Messages – these must be reviewed and addressed if applicable. You may click “Next” to proceed.
• Red Error Messages – corrections to your data are required before you will be allowed to continue.

E-Filer Notes – To add an e-filer note, click the Add/View E-Filer Notes button at the bottom of the screen. Then click the Add Another Note button. Type your explanation and click Save & Close. This Information will be included in the publication of your Report and will be viewable by the general public.

ONLINE REPORT SECTIONS

The online Annual Report of Municipal Authorities and Neighborhood Improvement Districts comprises the following sections, which must be completed in order. These are named as follows:

• Primary Information
• Officials List (Current Officials)
• Geographical Areas Served (Geo Areas)
• Statement of Net Position (Net Pos.)
• Statement of Revenues, Expenses and Changes in Net Position (Rev/Exp/Change in Net Pos.)
• Statement of Fiduciary Net Position (Fiduciary Net Pos.)
• Statement of Changes in Fiduciary Net Position (Changes in Fiduciary Net Pos.)
• Debt Statement
• Final Review

Note: Non-Profit Neighborhood Improvement Districts do not have a Geographical Areas Served section.

PRIMARY INFORMATION

Contact Information. Complete the contact information fields on the Primary Information page. The following fields are required: Name, Address, Phone, Contact Person, and Title. Note that while an email address is not required, the DCED uses email as a communication tool. Please provide a valid email address if available.

Number of Employees. Complete the Number of Employees section by providing the numbers for Full Time and Part Time Equivalents. If none, place a zero in the corresponding field.

Filing Status. Verify whether your Municipal Authority/Neighborhood Improvement District is Active or Inactive.

Note that the fields for Year Organized/Begins, Year Terminates/Ends, and Fiscal Year Ends are locked fields. If there are any changes to these fields, you must contact the DCED.
OFFICIALS LIST (CURRENT OFFICIALS)

A name, address, city, state, zip code, and phone number must be provided for both the Board President/Chair Secretary positions. Please also provide this information for the Treasurer and Solicitor positions if applicable. Provide names and contact information for individuals who currently hold these positions, not for those that have held positions during the reporting year. Note that while an email address is not required, the DCED uses email as a communication tool. Please provide a valid email address if available.

GEOGRAPHICAL AREAS SERVED (Municipal Authorities, Only)

Add the geographical areas that are served by the Authority by clicking the Add Municipality/County button and making a selection from the drop down list.

STATEMENT OF NET POSITION

BUSINESS RULE

In the Statement of Net Position, Total Assets and Deferred Outflows of Resources must equal Total Liabilities and Deferred Inflows of Resources and Total Net Position.

DEFINITIONS

Current Assets:
Cash and cash equivalents. Include here, cash, checking and savings accounts, certificates of deposits and other investments with maturities generally of three months or less. Examples of cash equivalents can be treasury bills, commercial paper and money market funds with maturities of three months or less.

Investments. Include on this line, securities with original maturities of more than three months. Examples include treasury bills, commercial paper, money market funds, and other investment instruments held for more than three months.

Receivables (net of allowance for doubtful accounts). Include amounts due to the authority, less allowances for uncollectible balances and may also include interest receivable, notes receivable, etc. Financing Authorities Only: please use the line titled “Lease rental payments receivable.” Excludes amounts due from other governments and due from other funds.

Lease rental payments receivable (Financing Authorities Only). Financing Authorities should show current lease rental payments receivable on this line.

Due from other governments. Amounts due from other governments. These are typically grants, entitlements, or shared revenues or loans and charges for goods or services rendered by the reporting government for another government.

Inventories. Report here, supplies on hand for future consumption or use.

Prepays. Include, here, payments for which the benefits have not yet been received. Examples include prepaid rent and unexpired insurance premiums.

Restricted cash and cash equivalents, investments, and intergovernmental receivables. Cash and cash equivalents, investments, and intergovernmental receivables with a term restriction that ends within a short period after the date of the financial statements. Bond proceeds restricted to capital expenditures would typically be reported as restricted.

Non-Current Assets:
Restricted investments. Include on this line those investments that are available to pay a government's expenses/expenditures, greater than one year after the date of the financial statement. An example of restricted investments would be those held in a debt service reserve account.

Land. This line item is for land purchased by the government, including costs incurred, such as land clearing in preparing the land for its intended use.

Construction in progress. This line item is used for the incurred costs of ongoing construction projects.

Buildings and systems. This line item includes building costs, as well as acquisition and closing costs. Examples are: costs of plumbing, electrical, and HVAC systems and installation.

Improvements other than buildings. Report on this line permanent improvements, other than buildings, that add value to land, such as fences, landscaping and parking lots.

Machinery and equipment. This includes all other depreciable fixed assets used in the government's operations, such as machinery, tools, vehicles, and furnishings, etc. This account includes costs incurred in the acquisition of machinery and equipment (for example, transportation costs).

Infrastructure. Include tangible property that is generally fixed to the land such as drainage systems, water and sewer systems, etc.

Lease rental payments receivable (Financing Authorities Only). Financing Authorities should show non-current lease rental payments receivable on this line.

Other non-current assets. Include other non-current assets not previously classified.
Deferred Outflows of Resources:
Deferred amount on debt refunding. This is the unamortized difference between the carrying value of refunded debt and the resources used to defease it.

Deferrals related to pensions. Show, here, the changes in the net pension liability that are not included in pension expense as these are required to be reported as deferred outflows of resources or deferred inflows of resources. Such changes may result from differences between expected and actual experience, or changes in assumptions, and will be identified and measured by the pension actuary. Also, any employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

Other deferred outflows of resources. Deferred outflows of resources of resources not mentioned on the report should be listed on this line.

Current Liabilities:
Accounts payable. This is a short-term liability account reflecting amounts owed for goods and services received by an authority, and may also include salaries/wages and related benefits and payroll taxes payable.

Accrued interest payable. Include, here, interest costs related to the current period and prior periods, but not due until a later date.

Due to other governments. These are amounts owed by the authority to another government.

Unearned revenue. Include here, amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Funds held as fiduciary. Include, here, amounts that the authority is holding in a fiduciary capacity. An example would be funds held in escrow.

Debt due within one year. This is the portion of the authority’s long-term debt, including bonds, notes and leases payable, that is due on demand or is payable within one year.

Other current liabilities. Include, here, other current amounts owed by the authority but not reported in other accounts. The amount of compensated absences and claims and judgments due within one year may be reported with other current liabilities.

Non-current Liabilities:
Debt due in more than one year. This is portion of long-term bonds, notes and leases payable due beyond one year.

Other non-current liabilities. This line item is for the portion of other post-employment benefits (OPEB), compensated absences, and, claims and judgments due beyond one year.

Deferred Inflows of Resources:
Deferred amount on debt refundings. The unamortized difference between the carrying value of refunded debt and the resources used to defease it.

Deferrals related to pensions. Show, here, changes in the net pension liability that are not included in pension expense are required to be reported as deferred inflows of resources or deferred outflows of resources. Such changes may result from differences between expected and actual experience, or changes in assumptions, and will be identified and measured by the pension actuary.

Other deferred inflows of resources. Deferred inflows of resources not mentioned on the report should be listed on this line.

Net Position:
Net investment in capital assets. This line item consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets or related debt also should be included.

Restricted net position. This line item consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted net position. Show, here, the difference between total net position and its two other components (net investment in capital assets and restricted net position).

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

BUSINESS RULES

Note: If your municipal authority or neighborhood improvement district has multiple facility types:

1. You must complete a Statement of Revenues, Expenditures and Changes in Net Position for EACH facility type.
DEFINITIONS

Operating Revenues:

Charges for services. This line item is used for revenue received from those who purchase, use or benefit from the goods or services of the program.

Lease rental income (This line is intended specifically for use by Financing authorities). Financing authorities that lease back their operating to municipalities are to include lease rental fees here.

Operating grants. Include, here, revenue from other governments and other organizations for the conduct of the program. Grants and contributions that may be used for either operating or capital purposes should be reported as operating grants or contributions.

Contributions. This line includes donations, gifts, bequest, grants, and other transfers of money or property to the extent that the contributor intends to make a gift. Do not include donations of services (such as the value of donated advertising space, broadcast air time, or discounts on services) or donations of use of materials, equipment, or facilities. Do not include volunteer services performed for the reporting organization or donated use of materials, facilities, or equipment. NOTE: Municipal Authorities are to report contributions related to pension activity such as contributions from employers, plan members and private pension contributions received from other than authority and plan members in the Statement of Changes in Fiduciary Net Position.

Interest Income. Report, here, interest income from operations.

Assessment revenue*. (This line is intended specifically for use by Neighborhood Improvement Districts/Business Improvement Districts.) Include, here, the total fee assessed on property owners within a neighborhood/business improvement district.

Payments in lieu of assessments*. (This line is intended specifically for use by Neighborhood Improvement Districts/Business Improvement Districts.) Show, here, the total value (cash and in-kind services) collected from exempt, but benefited property owners within a neighborhood/business improvement district.

Program Income*. (This line is intended specifically for use by Neighborhood Improvement Districts/Business Improvement Districts.) Include income earned by the organization for providing a government agency with a service, facility, or product that benefited that government agency directly rather than benefiting the public as a whole.

Other operating revenue. Include, on this line, operating revenue that is not reported elsewhere.

Operating Expenses:

Administrative. Include expenses for the use of office space, including rent, property insurance, real estate taxes, mortgage interest and similar occupancy-related expenses. Heat, light, power, and other utilities expenses should be reported on the Utilities line. Also include here expenses for information technology. Examples include: hardware, software, and support services such as maintenance, web site design, virus protection, etc. This line may also include marketing, promotions, and advertising expenses for in-house activities, and/or expenses for conferences, conventions, and meetings that are related to an entity’s activities. Do not include items described as Supplies and materials – see definition below. Remove the green – this will go in other.

Contracted services. This line is used for professional and technical expenditures and other contracted expenses. Examples include: management fees, legal fees, accounting fees, investment management fees, lobbying fees, and professional fundraising fees.

Personnel services. Include, here, employee salaries, wages, fringe benefits and payroll taxes.

Supplies and materials. Report, here, amounts for supplies, telephones (cell and landline), facsimile, postage (overnight delivery, parcel delivery, trucking and other delivery expenses), mailing expenses, shipping materials, equipment rental, bank fees and printing costs.

Repairs and maintenance. Include, here, expenses for the upkeep of buildings and entity personal property.

Utilities. This line item is for expenditures for utility services, other than energy services and includes water/sewage utility services, heat, light, power, etc. Custodial expenses are part of the upkeep of buildings and should be included in Repairs and maintenance rather than Utilities.

Other services and charges. Use this line item for other services not reported elsewhere.

Depreciation and amortization. This line item is used for period allocation of the cost of assets used by the authority to provide.

Fundraising*. (This line is intended specifically for use by Neighborhood Improvement Districts/Business Improvement Districts). Report as fundraising expenses, those that are incurred in soliciting cash and noncash contributions, gifts and grants. Also include preparing and distributing fundraising manuals, instructions and other materials. Do not report professional fundraising fees on this line. These should be included in Contracted services.

Program services*. (This line is intended specifically for use by Neighborhood Improvement Districts/Business Improvement Districts). These services are mainly those activities that further the organization’s exempt purposes. This line item may include lobbying expenses, if the lobbying is directly related to the entity’s exempt purposes. Also include costs to secure a “grant” or contract, to conduct research, produce an item or perform a program service, if the activities are conducted to meet the grantor’s or other contracting party’s specific needs.

Other operating expenses. Use this line for other operating expenses not reported elsewhere.
Non-Operating Revenues/(Expenses)

Nonoperating grants. Include, here, grants that are not equivalent to contracts for services. Do not include grants listed as Operating grants.

Investment earnings. Include, here, interest earnings and gains/losses on investments.

Interest expense. Include, here, expense incurred on debt or capital leases.

Gain/(loss) on sale of assets. This line item is for reporting the gain/(loss) on sale of authority owned real or personal property.

Other financing sources/(uses). Other Financing Sources. These include: the issuance of long-term debt (face amount and premium); the inception of a capital lease; debt service on demand bonds reported as liabilities; and sales of capital assets. Other Financing Uses include: original issue discount on debt; payments to advance refunding escrow agent; reclassification of demand bonds as fund liabilities; and transfers.

Other Nonoperating revenues. Report, here, revenues not listed as operating revenues.

Other Nonoperating (expenses). Expenses not listed as operating expenses.

Debt Service principal and interest (expense)**. To be used only by those submitting non-GAAP financial reports. This line is for the portion of the payment that reduces the outstanding principal of the debt for those that do not record the debt as a liability. This line includes principal and interest paid on both short-term and long-term debt.

Capital Contributions. Capital contributions are created when a general fixed asset is transferred to a proprietary fund or when a grant is received that is externally restricted to capital acquisition or construction. Contributions restricted to capital acquisition and construction would also be reported on this line.

Net position — Beginning of year. Report, here, the net position reported to the DCED in the prior fiscal year. If the prior year's report to the DCED was amended, the net position reported on the latest amended report filed with the DCED should be reported here.

Prior period adjustment. This line represents errors or missed adjustments in amounts affecting net position reported to the DCED in the prior fiscal year that were not the subject of an amended prior year report filed with the DCED. Include, here, adjustments to reflect the impact of the implementation of new accounting standards.

FIDUCIARY FUNDS

Fiduciary funds are used “to report assets held in a trustee or custodial capacity for others...”. These may be classified into four types: trust funds, investment trust funds, private-purpose trust funds and custodial funds. Authorities/Neighborhood Improvement Districts with pension and other employee benefit trust funds, Investment trust funds and/or custodial funds are to report these in the Fiduciary Fund Statements in this report. Note that agency funds will change to custodial funds for periods beginning after December 15, 2018. Custodial funds would include what used to be reported as agency funds. These funds report resources held temporarily before being passed along to intended recipients.

STATEMENT OF FIDUCIARY NET POSITION

SYSTEM BUSINESS RULE

In the Statement of Fiduciary Net Position, Total Assets and Deferred Outflows of Resources must equal Total Liabilities and Deferred Inflows of Resources and Total Net Position.

Note: If there are no fiduciary funds (pension trust funds, investment trust funds, private-purpose trust funds or custodial funds) you may skip the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

DEFINITIONS

Assets:
Cash and cash equivalents. See definition under Statement of Net Position.

Receivables (net of allowance for doubtful accounts). See definition under Statement of Net Position.

Investments, at fair value. Securities held by pension trust funds such as equity investments, U.S. government securities and corporate bonds that are reported at fair value at the end of the authority’s fiscal year.

Restricted cash and cash equivalents, investments, and intergovernmental receivables. See definition under Statement of Net Position.

Restricted investments. See definition under Statement of Net Position.

Other assets. Report, here, asset balances not reported in other accounts.

Deferred Outflows of Resources:
See explanation under Statement of Net Position.
Liabilities:
Accounts payable and other current liabilities. Include, here, amounts owed for goods and services received by an authority. This account can include salaries/wages and related benefits and payroll taxes payable and other current amounts owed by the authority/Neighborhood Improvement District not reported in other accounts.

Due to other governments. See definition under Statement of Net Position.

Unearned revenue. This line is used for liabilities of resources obtained prior to revenue recognition.

Debt due within one year. See explanation under Statement of Net Position.

Other liabilities. Include, here, amounts owed but not reported in other accounts.

Deferred Inflows of Resources:
See explanation under Statement of Net Position.

Net Position:
Net position restricted for specific purpose. This line item is applicable to fiduciary funds only and is used for reporting net position balances in fiduciary funds that are restricted for a fiduciary purpose.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

SYSTEM BUSINESS RULE

Note: All trust funds (pension trust funds, investment trust funds and private-purpose trust funds) and custodial funds are reported in the Statement of Changes in Fiduciary Net Position.

DEFINITIONS
Additions:
Contributions:
Employer. This line is used for authority contributions.
Plan members. Show, here, contributions from plan members — including retirement payroll withholdings.
Private donations. Show, here, contributions from other than the authority and plan members.
Other contributions. Report, here, other contributions to the net position of the fiduciary fund.

Investment Earnings:
Interest. Report, here, interest income and dividend income.
Net increase (decrease) in the fair value of investments. Use this line item to report the net increase (decrease) in the fair value of plan investments.
Other investment earnings. Report on this line any investment earnings other than interest and increases/decreases in fair value of investments.
Less investment expenses. Show, here, the total investment expense including management and other fees and costs.

Deductions:
Benefits. Use this line to report benefits and refunds paid to plan members.
Administrative expenses. This line item includes total administrative expenses.
Other deductions. Include other deductions to the net position of the fiduciary fund not reported elsewhere.

Net position — Beginning of year. See explanation under Statement of Net Position.
Prior period adjustment. See explanation under Statement of Net Position.
DEBT STATEMENT

The Debt Statement should identify the individual debt issues, notes, and capital lease payables that are included in the debt reported on the Statement of Net Position as current liabilities — debt due within one year and non-current liabilities — debt due in more than one year. Note that capitalized lease obligations and unamortized discounts or premiums resulting from differences between market and issue interest rates existing at the date of issuance should be listed in total to arrive at the Net Debt calculation on the Debt Statement.

SYSTEM BUSINESS RULES

In the Statement of Net Position, Debt due within one year under Current Liabilities, plus Debt due in more than one year under Non-current liabilities must equal Net Debt on the Debt Statement. If there is a valid reason why the amounts do not match, you must provide an explanation in the e-filer notes at the bottom of the online screen to continue.

FINAL REVIEW

The Certified Public Account (CPA) must provide an audit report from the audit of the Municipal Authority’s/Neighborhood Improvement District’s financial statements. The reports may be either uploaded, faxed, or mailed by following the prompts in the online screen.

Submitting your report.
To submit your report, you must do the following:

1. Check the box in the certification section.
2. Provide your Name, Title, and Phone #.
3. Click the Submit button at the bottom of the screen (if you have any yellow warnings, you will need to review these and click Submit again.)
4. The Submission Details page will verify that your submission is complete.

Printing a copy of your report.
In the final review section at the bottom of the page, you may download a PDF copy of your report by following the prompts on the screen. The report can either be printed or saved to your computer.

Additional reporting requirements.
Municipal Authorities formed under Act of May 2, 1945 must file a copy of this Report with the local government(s) (municipality, county or school district) creating the authority.

Neighborhood Improvement Districts (NIDs) formed under Act 130 of 2000 must file (1) a copy of this Report with the governing body of the municipality in which the NID is located and (2) submit a report, including financial and programmatic information, including a summary of audit findings, to the governing body of the municipality in which the NID is located and to all assessed property owners located in the NID.

Call with questions – Contact the Governor’s Center for Local Government Services toll-free at 888-223-6837, if assistance is needed when completed the Annual Report of Municipal Authorities and Neighborhood Improvement Districts.