

# Annual Update Document: Common Reporting Errors

Miguel Feliciano, Examiner of Municipal Affairs  
Renee Malo, MBA, Examiner of Municipal Affairs

**Data Management Unit**

**Division of Local Government and School Accountability**



NYS COMPTROLLER  
**THOMAS P. DiNAPOLI**

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# Webinar Logistics

- Attendee microphones muted
- Submit questions via chat window
- If you are experiencing connection problems please call the Help Desk at 1-866-321-8503, Option 1



# Overview of Content

- Information for filing the AUD
- OSC's AUD review process
- Common issues found in AUD reports
  - Fund balance coding
  - Reporting negative figures
  - Bank transfers
  - "Unclassified" revenues
  - Prior year adjustments



# Filing the AUD

- Letter sent via email to CFO
  - Update contact info
- Download most updated version of EFS
- Call for technical assistance with software
  - Help Desk 1-866-321-8503, Option 1



# Submitting CPA Reports

Three options:

- Upload to Electronic Filing Website
- Email to [AFRfile@osc.state.ny.us](mailto:AFRfile@osc.state.ny.us)
- Send by mail

Office of the State Comptroller

Local Government and School Accountability

Data Management Unit Mailbox 12-8-C

110 State Street

Albany, NY 12236-0001



# AUD Review Process

- Edits
- Trends
- Anomalies
- Fiscal Stress Monitoring System
- Coding



# How to View Available Account Codes

Financial Section - (A) GENERAL

Description	2014	Code	2015	Additional Description
<b>Revenues</b>				
Real Property Taxes	\$1,194,543.00	A1001		
<b>TOTAL Real Property Taxes</b>	<b>\$1,194,543.00</b>		<b>\$0.00</b>	
Interest & Penalties On Real Prop Taxes	\$17,708.00	A1090		
<b>TOTAL Real Property Tax Items</b>	<b>\$17,708.00</b>		<b>\$0.00</b>	
Non Prop Tax Dist By County	\$2,317,318.00	A1120		
Utilities Gross Receipts Tax	\$143,723.00	A1130		
Franchises	\$149,823.00	A1170		
<b>TOTAL Non Property Tax Items</b>	<b>\$2,610,864.00</b>		<b>\$0.00</b>	
Clerk Fees	\$6,235.00	A1255		
Vital Statistics Fees	\$1,191.00	A1603		
Park And Recreational Charges	\$13,150.00	A2001		
Recreational Concessions	\$125.00	A2012		
Special Recreational Facility Charges	\$10,259.00	A2025		
Zoning Fees	\$827.00	A2110		
Planning Board Fees	\$10,285.00	A2115		
<b>TOTAL Departmental Income</b>	<b>\$42,072.00</b>		<b>\$0.00</b>	
Transportation Services, Other Govts	\$56.00	A2300		
<b>TOTAL Intergovernmental Charges</b>	<b>\$56.00</b>		<b>\$0.00</b>	

Financial Section - (A) GENERAL

Select Account Code

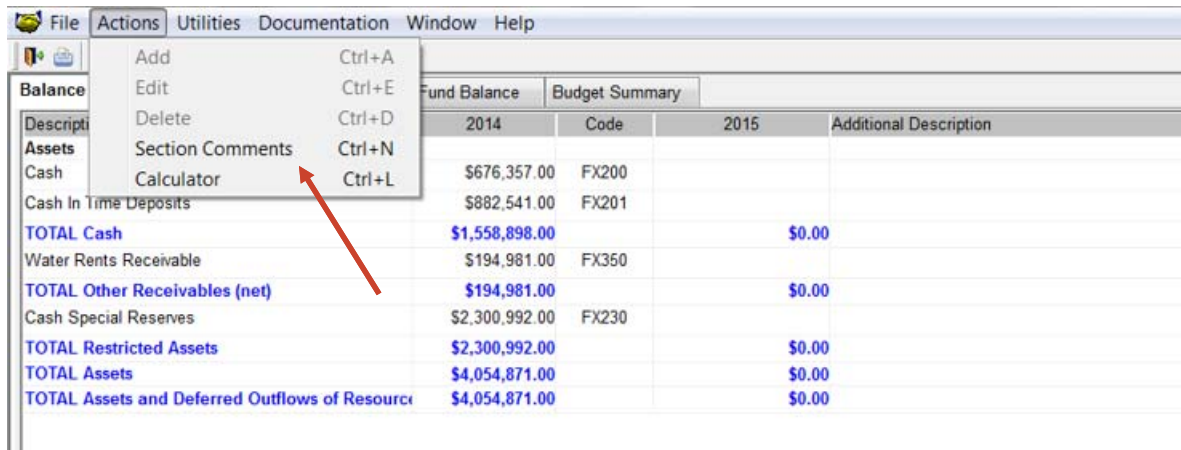
Code:

Description:  Find

Code	Description
A1640	AMBULANCE CHARGES
A1689	OTHER HEALTH DEPARTMENTAL INCOME
A1710	PUBLIC WORKS CHARGES
A1721	PARKING LOTS AND GARAGES-NO TAX
A1741	PARKING METER FEES NON-TAXABLE
A1750	BUS OPERATIONS
A1770	AIRPORT FEES & RENTALS
A1774	AIRPORT CONCESSIONS
A1776	AIRPORT SALES OF SUPPLIES
A1789	OTHER TRANSPORTATION DEPARTMENTAL INCOME
A1972	CHARGES-PROGRAMS FOR THE AGING
A1989	OTHER ECONOMIC ASSISTANCE & OPPORTUNITY
A2001	PARK AND RECREATIONAL CHARGES
A2012	RECREATIONAL CONCESSIONS



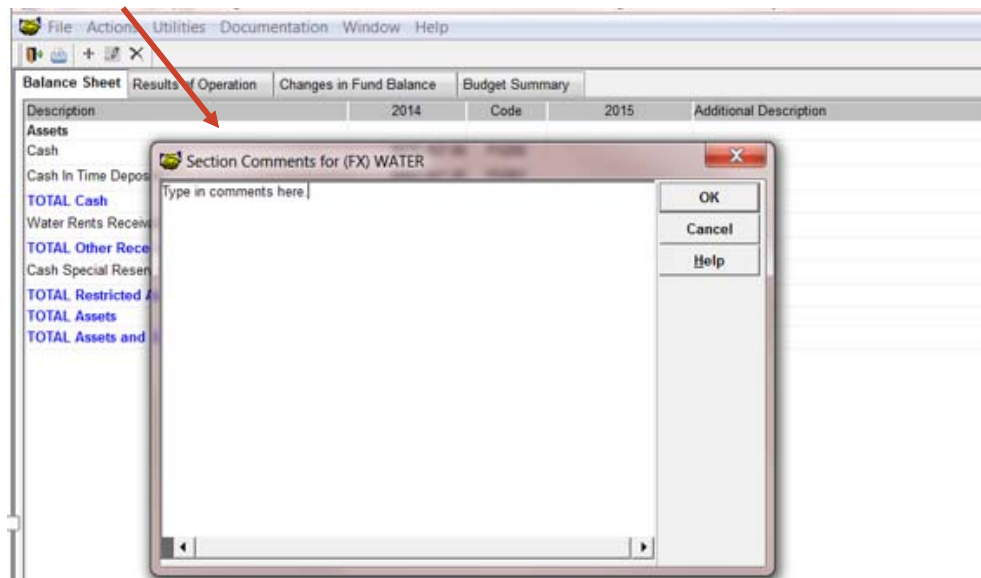
# Section Comment Box



File Actions Utilities Documentation Window Help

- Add Ctrl+A
- Edit Ctrl+E
- Delete Ctrl+D
- Section Comments Ctrl+N
- Calculator Ctrl+L

Description	Fund Balance		Budget Summary	
	2014	Code	2015	Additional Description
Cash	\$676,357.00	FX200		
Cash In Time Deposits	\$882,541.00	FX201		
<b>TOTAL Cash</b>	<b>\$1,558,898.00</b>		<b>\$0.00</b>	
Water Rents Receivable	\$194,981.00	FX350		
<b>TOTAL Other Receivables (net)</b>	<b>\$194,981.00</b>		<b>\$0.00</b>	
Cash Special Reserves	\$2,300,992.00	FX230		
<b>TOTAL Restricted Assets</b>	<b>\$2,300,992.00</b>		<b>\$0.00</b>	
<b>TOTAL Assets</b>	<b>\$4,054,871.00</b>		<b>\$0.00</b>	
<b>TOTAL Assets and Deferred Outflows of Resource</b>	<b>\$4,054,871.00</b>		<b>\$0.00</b>	



File Actions Utilities Documentation Window Help

Balance Sheet Results of Operation Changes in Fund Balance Budget Summary

Description	2014	Code	2015	Additional Description
Cash				
Cash In Time Deposits				
<b>TOTAL Cash</b>				
Water Rents Receivable				
<b>TOTAL Other Receivables (net)</b>				
Cash Special Reserves				
<b>TOTAL Restricted Assets</b>				
<b>TOTAL Assets</b>				
<b>TOTAL Assets and Deferred Outflows of Resource</b>				

Section Comments for (FX) WATER

Type in comments here

OK  
Cancel  
Help





# Fund Balance Reporting

- Fund Balance classifications
  - Nonspendable
  - Restricted
  - Committed
  - Assigned
  - Unassigned
  - <http://www.osc.state.ny.us/localgov/pubs/releases/gasb54.pdf>



# Fund Balance Reporting

- **Nonspendable Fund Balance**
  - *Consists of assets that are inherently nonspendable in the current period either due to their form or legal or contractual requirement that they be maintained intact.*
  - *Not in Spendable Form (806)*
    - *Should agree with prepaid expenses (480), inventories (445) and long-term portions of loans receivable*
  - *Must Remain Intact (807)*
    - *Principal of Endowments*
    - *Should be used in the Permanent Fund (PN)*



# Fund Balance Reporting

Description	2015	Code	2016	Additional Description
<b>Assets</b>				
Cash	\$87,090.13	A200		
<b>TOTAL Cash</b>	<b>\$87,090.13</b>		<b>\$0.00</b>	
Due From Other Funds	\$250.00	A391	\$117,000.00	\$100,000 considered long term
<b>TOTAL Due From Other Funds</b>	<b>\$250.00</b>		<b>\$117,000.00</b>	
INVENTORY OF MATERIALS AND SUPPLIES		A445	\$25,000.00	
<b>TOTAL Inventories</b>	<b>\$0.00</b>		<b>\$25,000.00</b>	
PREPAID EXPENSES		A480	\$25,000.00	

Description	2015	Code	2016	Additional Description
<b>Liabilities</b>				
Accounts Payable	\$1,437.01	A600		
<b>TOTAL Accounts Payable</b>	<b>\$1,437.01</b>		<b>\$0.00</b>	
<b>TOTAL Liabilities</b>	<b>\$1,437.01</b>		<b>\$0.00</b>	
Not in Spendable Form		A806	\$150,000.00	includes \$100,000 Due From
<b>TOTAL Nonspendable Fund Balance</b>	<b>\$0.00</b>		<b>\$150,000.00</b>	



# Fund Balance Reporting

- Restricted Fund Balance
  - *Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.*
- Common Restricted Fund Balance – Reserves
  - Capital Reserves (878)
  - Reserve for Repairs (882)
  - Reserve for Debt (884)
  - Must be legally established
    - <http://www.osc.state.ny.us/localgov/pubs/lgmg/reservefunds.pdf>



# Fund Balance Reporting

Restricted assets should equal restricted fund balance and vice-versa

Cash	A200	\$25,000.00
Cash In Time Deposits	A201	\$50,000.00
Petty Cash	A210	\$500.00
<b>TOTAL Cash</b>		<b>\$75,500.00</b>
CASH SPECIAL RESERVES	A230	\$30,000.00
CASH IN TIME DEPOSITS SPECIAL RESERVES	A231	
<b>TOTAL Restricted Assets</b>		<b>\$30,000.00</b>

WORKERS' COMPENSATION RESERVE	A814	
RETIREMENT CONTRIBUTION RESERVE	A827	
INSURANCE RESERVE	A863	
CAPITAL RESERVE	A878	\$20,000.00
RESERVE FOR REPAIRS	A882	\$10,000.00
<b>TOTAL Restricted Fund Balance</b>		<b>\$30,000.00</b>
Unassigned Fund Balance	A917	\$75,500.00
<b>TOTAL Unassigned Fund Balance</b>		<b>\$75,500.00</b>



# Fund Balance Reporting

- Committed Fund Balance
  - *Consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint*
  - Account code 913
  - Formal restraints
  - Uncommon



# Fund Balance Reporting

- Assigned Fund Balance
  - *Consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.*
  - *Assigned Appropriated Fund Balance 914*
  - *Assigned Unappropriated Fund Balance 915*



# Fund Balance Reporting

- Assigned Appropriated Fund Balance (914)
  - *The portion of fund balance that has been appropriated into the ensuing years' annual budget.*
  - Should match fund balance appropriated in budget, account code **599N**, Appropriated Fund Balance on budget summary (if applicable)
    - *Budgetary account to record the estimated fund balance that is appropriated into the adopted budget.*





# Fund Balance Reporting

Description	2015	Code	2016
Capital Reserve	\$45,272.35	A878	\$200,000.00
<b>TOTAL Restricted Fund Balance</b>	<b>\$45,272.35</b>		<b>\$200,000.00</b>
Assigned Appropriated Fund Balance		A914	\$75,000.00

Description	2016	Code	2017
Appropriated Reserve		A511N	\$25,000.00
Appropriated Fund Balance		A599N	\$75,000.00
<b>TOTAL Estimated Other Sources</b>	<b>\$0.00</b>		<b>\$100,000.00</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>\$310,042.00</b>		<b>\$213,000.00</b>



# Fund Balance Reporting

- Exception for reporting Appropriated Fund Balance
  - Example: \$20K appropriated for use in budget before end of year
  - At year end, fund only has \$15K in total fund balance



Assigned Appropriated Fund Balance	A914	\$15,000.00
<b>TOTAL Assigned Fund Balance</b>		<b>\$15,000.00</b>
Unassigned Fund Balance	A917	\$0.00
<b>TOTAL Unassigned Fund Balance</b>		<b>\$0.00</b>
<b>TOTAL Fund Balance</b>		<b>\$15,000.00</b>



Assigned Appropriated Fund Balance	A914	\$20,000.00
<b>TOTAL Assigned Fund Balance</b>		<b>\$20,000.00</b>
Unassigned Fund Balance	A917	(\$5,000.00)
<b>TOTAL Unassigned Fund Balance</b>		<b>(\$5,000.00)</b>
<b>TOTAL Fund Balance</b>		<b>\$15,000.00</b>



# Fund Balance Reporting

- Appropriated Reserves
  - Different than appropriated fund balance
    - Code 511N “Appropriated Reserve” on budget summary
    - Remains in reserve code on balance sheet



# Fund Balance Reporting

Description	2015	Code	2016
Capital Reserve	\$45,272.35	A878	\$200,000.00
<b>TOTAL Restricted Fund Balance</b>	<b>\$45,272.35</b>		<b>\$200,000.00</b>
Assigned Appropriated Fund Balance		A914	\$75,000.00

Appropriated Reserve		A511N	\$25,000.00
Appropriated Fund Balance		A599N	\$75,000.00
<b>TOTAL Estimated Other Sources</b>	<b>\$0.00</b>		<b>\$100,000.00</b>



# Fund Balance Reporting

- Assigned Unappropriated Fund Balance (915)
  - *The remaining fund balance for all the funds except the general fund.*
  - *In the general fund, 915 should only include encumbrances and any fund balance that was designated for a specific purpose*
- Encumbrances
  - *The outstanding purchase orders are evidence of the government's intent to spend the resources*



# Fund Balance Reporting

- Unassigned Fund Balance (917)
  - *The general fund's residual fund balance that has not been restricted, or assigned.*
  - *For all other funds, should only be used to report a negative fund balance*
  - *Should not be used to force 914 to match 599N*



# Negative Figures

- Rarely appropriate to report negatives
  - Exceptions include:
    - Allowance for Receivables (credit balance)
    - Deficit Fund Balance (917)
  - Reimbursements
    - Net against expenditure if current year
    - If prior year use revenue code 2701 “Refund of Prior Year’s Expenditures”



# Negative Cash

- Reported in cases where one fund is borrowing from another or pooled bank accounts
- Causes overstatement of cash in another fund
- Use Due To/Due From to reflect actual cash balances

Loaning Fund:

Dr A391 Due From Other Funds

Cr A200 Cash

Borrowing Fund:

Dr FX200 Cash

Cr FX630 Due To Other Funds





# Interfund Transfers

- Transfer of cash from one fund to another fund

Dr A99019 Transfers, Other Funds

Cr DA5031 Interfund Transfers

*to record the transfers of monies from A to DA*

Dr A99509 Transfers, Capital Projects Fund (correct code)

~~Dr. A99019, Transfers, Other Funds (incorrect code)~~

Cr H5031 Interfund Transfers

*to record the transfers of monies from A to H*

## Bank transfers – exchange of assets

- Not to be confused with interfund transfers
- Should not be included in revenues and expenditures



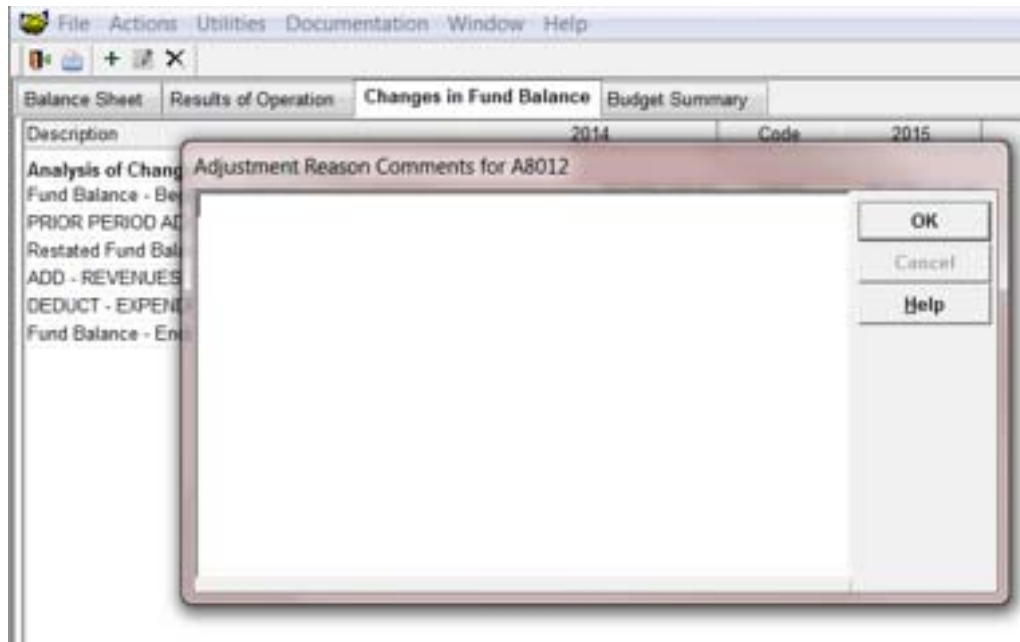
# Unclassified Revenues

- Account code, 2770
  - Search available account codes
  - If still uncertain, give us a call
  - Add comment to the Unclassified Revenue account



# Prior Period Adjustments

- To correct an error made in a previous report
  - Code 8012 to increase fund balance
  - Code 8015 to decrease fund balance
  - Justify with comment



# Resources

- Previously held webinars
  - <http://wwe1.osc.state.ny.us/localgov/academy/webinars/index.cfm>
- Common Reporting Error: Indebtedness
  - <http://www.osc.state.ny.us/localgov/academy/pdf/AUDslideshow030916.pdf>
- Online Chart of Accounts Query
  - <http://wwe1.osc.state.ny.us/acctlookup/accountlookup.cfm>
- Online Contact Update System
  - <https://nysosc11.osc.state.ny.us/product/contacts.nsf>
- Accounting Advisories and Bulletins
  - <http://www.osc.state.ny.us/localgov/pubs/releases/index.htm>



# Resources

- Accounting and Reporting Manuals (ARM)
  - <http://www.osc.state.ny.us/localgov/pubs/publisting.htm>
  - Data Management Unit Help Line
  - Software Questions:1-866-321-8503, Option 1
  - Reporting Questions:1-866-321-8503, Option 4



# Questions



# Thank You



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**[localtraining@osc.state.ny.us](mailto:localtraining@osc.state.ny.us)**



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