

# ANNUAL FINANCIAL DATA REPORT – FINANCIAL INDICATORS

## COMMON REPORTING ERRORS

**The information below is based upon OPM’s review of information submitted by municipalities for their FY 2021 Financial Indicators submission in OPM’s Fiscal Health Monitoring System (FHMS).**

### Section A - Statement of Net Position / Section B – Statement of Activities:

- Data entered for Sections A and B were incorrectly based upon totals for governmental and business type activities. The information should be derived from the **governmental activities** column only.

### A-2 Total Capital Assets Being Depreciated, Net of Accumulated Depreciation:

- The data entered incorrectly included capital assets not being depreciated such as land. Review the notes to the financial statements regarding capital assets, if capital assets being depreciated are not clearly identified in the Statement of Net Position.

### Section C – Balance Sheet:

- The information entered in this section was incorrectly derived from the total governmental funds column of the balance sheet for all governmental funds. The information entered should be derived from the **General Fund** column only.

### Section D – Statement of Revenues, Expenditures and Changes in Fund Balance, D-3 through D-57:

- The information entered was incorrectly derived from the total governmental funds column of the Statement of Revenues, Expenditures and Changes in Fund Balance for all governmental funds. The information entered should be derived from the **General Fund** column only.
- The information entered was incorrectly based upon General Fund budgetary information as derived from the municipality’s budget vs. actual revenue and expenditure data. The information entered should have been derived from the **GAAP** Statement of Revenues, Expenditures and Changes in Fund Balance -Governmental Funds, General Fund column.

### D-19 Education Expenditures - Regional School District:

- Several municipalities who were members of a regional school district failed to report their General Fund, regional school district expenditures.

### D-21, D-60: Debt Service Expenditures:

- Debt service expenditures for **D-21** should be based upon debt service expenditures as reported in the municipality’s **General Fund** in the GAAP Statement of Revenues, Expenditures and Changes in Fund Balance. Debt service expenditures for **D-60** should be based upon debt service expenditures as reported in the municipality’s **total governmental funds** column in the GAAP Statement of Revenues, Expenditures and Changes in Fund Balance. Municipalities should not include pension contributions or other employee fringe benefits (often identified in a line item identified as “debt service and sundry”) as debt service expenditures in D-21 or D-60.

#### D-57 June 30<sup>th</sup> Fiscal Year Ended Fund Balance

- FHMS calculates the fiscal year ended fund balance in D-57 based upon a municipality's entries in Section D. **The amount calculated in D-57 by FHMS should agree with the amount listed in C-57 for "total fund balance"**. If the amounts do not agree, the data entries made under "fund balance" in Section C and the entries made in Section D should be reviewed to determine the corrections needed.

#### D-61 Capital Outlay Expenditures

- The data entered should be based upon capital outlay expenditures reported in the municipality's **total governmental funds** column in the GAAP Statement of Revenues, Expenditures and Changes in Fund Balance. It should not be based upon budgetary data.

#### Sections E and F – Enterprise Funds and Internal Service Funds – Statement of Net Position:

- Information was not entered for all of the municipality's individual enterprise funds and internal service funds. Each enterprise fund and each internal service fund of the municipality located in the basic financial statements and in individual/combining statements/schedules section of the audit report should be reported.

#### I-1 Long-Term Debt Outstanding – Bonds and Long-Term Notes

- Data entered was for bonded debt only. The data entered should be for both long-term bonded debt and long-term notes for **governmental activities**.

#### I-5 Principal Debt Service For The Next 10 Subsequent Years:

- The amount reported was incorrect. The data entered should be based upon the aggregate principal payments scheduled to be made over the next 10-years on the amount in **I-1** (Long-Term Debt Outstanding – Bonds and Long-Term Notes of Governmental Activities).

#### I-7 Town's Share of Regional School District Debt:

- Several municipalities who were members of a regional school district failed to report their portion of their regional school district's long-term debt from bonds and notes. If a regional school district for which a municipality is a member of, has such debt outstanding, the municipality should report its portion of the outstanding debt.

#### I-8, Net Pension Liability:

- The amount reported was based upon the Net Pension Liability (NPL) for the total of the governmental and business type activities. The amount reported should be for **governmental activities** only. Enter the number zero or leave blank if the municipality does not report a NPL or if it only reports a net pension asset (typically reported as a negative number).

#### I-9 Net OPEB Liability:

- The amount reported was based upon the Net OPEB Liability (NOPEBL) for the total of the governmental and business type activities. The amount reported should be for **governmental activities** only. Enter the number

zero or leave blank if the municipality does not report a NOPEBL or if it only reports a net OPEB asset (typically reported as a negative number).

Section J – Property Tax Details:

- The data entries made in this section were often incorrect. An illustrative sample of where the data should be derived from for correct reporting is provided below for a municipality with a June 30, 2022, fiscal year end.

**Sample Property Tax Collections Report**

Grand List Yr (Fiscal Yr)	----- Collections -----						
	Uncollected Taxes	Current Levy	Corrections/ Transfers/ Other Adjustments	Adjusted Taxes Collectible	Taxes	Interest / Lien Fees/Other	Uncollected Taxes, June 30, 2022
2015 (2017)	100		5	105	10	5	95
2016 (2018)	150		5	155	15	8	140
2017 (2019)	200		(5)	195	20	10	175
2018 (2020)	250		(5)	245	25	13	220
2019 (2021)	300		10	310	30	15	280
Total: Prior Years	1,000		10	1,010	100	51	910
2020 (2022)		50,000	300	50,300	48,500	150	1,800
Total	1,000	50,000	310	51,310	48,600	201	2,710

The above sample provides the typical information included in the property tax collection report and the source of the information to complete the entries in Section J of the Financial Indicators sub-tile. However, not all municipalities report their property tax collections in a uniform format and some municipalities may include additional columns in their Tax Collections Report that affect the source of the data to be entered in Section J.