

MICHIGAN DEPARTMENT OF TREASURY UNIFORM REPORTING FORMAT FOR LOCAL UNITS OF GOVERNMENT



UNIFORM REPORTING FORMAT

Background

The Uniform Reporting Format for Financial Audits of Local Units of Government in Michigan is issued pursuant to the requirements of Public Act 2 of 1968, as amended, and Public Act 71 of 1919, as amended.

The Governmental Accounting Standards Board (GASB) establishes uniform reporting requirement for local units of government. The purpose of this document is to set forth additional requirements for local government financial statements in the state of Michigan. The Michigan Department of Treasury (Treasury) requires all financial statements of local units of governments to comply with Generally Accepted Accounting Principles (GAAP) and additional requirements promulgated by Treasury. The official who, by law or charter, is charged with the responsibility for the financial affairs of the local unit shall ensure that local unit accounts are maintained and kept in accordance with these standards. Noncompliance with the Uniform Reporting Format may result in a rejection of the audit reporting package.

In addition to this manual, there are several other documents that the governmental financial officials must follow to adequately prepare an annual financial report for a local unit of government in Michigan. Consult with your auditing firm or Treasury for further instruction. These materials include:

- Michigan Department of Treasury Numbered Letters
- Michigan Uniform Chart of Accounts
- Michigan Uniform Accounting Procedures Manual
- Michigan Uniform Budget Manual
- Government Finance Officers Association, *Governmental Accounting, Auditing, and Financial Reporting* (Blue Book)
- Governmental GAAP Guides published by private publishing companies

Effective Date

This reporting format is effective for fiscal years ending March 31, 2024, and after.

Reporting Entity

The entity being reported on must include all funds, commissions, and authorities of the local governmental unit (regardless of extraneous facts such as the U.S. Census Bureau treating an entity as an autonomous agency). For detailed requirements, please refer to GASB Statement Codification Section 2100.

Formatting of the Reports

All audit files must be searchable. In other words, a reviewer should be able to copy and paste figures from the audit report. Please refer to Michigan Department of Treasury issued [Numbered Letters 2020-3](#), *Financial Reports Filing Standard*, for detailed requirements.

Reporting Requirements

Current GASB requirements call for a range of options in preparing local unit financial statements, from a “minimum requirement” to a “annual comprehensive financial report,” as well as options for many disclosures and presentations, such as reporting individual component units. In addition, Treasury is issuing additional reporting requirements.

Reporting Option 1: The table below outlines the minimum reporting requirements for financial statements prepared under GASB.

Section	GASB Requirements	Treasury Additional Requirements
Management Discussion and Analysis	See GASB 2200	Most recent two years audited information should be compared if a local unit is not audited every year.
Government-wide Financial Statements	See GASB 2200	No additional requirements.
Governmental Fund Financial Statements	See GASB 2200	No additional requirements.
Budgetary Comparison Schedules for General Fund and each major special revenue fund (They can be placed immediately after governmental fund financial statements or under required supplementary information.)	See GASB 2200 & GASB 2400.121	<p>All GASB-required budget to actual comparison schedules must include a column for variances.</p> <ul style="list-style-type: none"> • Treasury requires General Fund budget for expenditures be adopted at least at the activity level as the control level and for revenues be adopted by source. • Treasury requires that detailed revenues by source under revenue sub-control account level (See detailed information on revenue sub-control account in the Uniform Chart of Accounts) should be reported on General Fund budget to actual comparison schedules. Local government may choose how much detail to report based on their operations. • Local units may report the additional information for the General Fund under required supplementary information, supplementary information, or other information.

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Section	GASB Requirements	Treasury Additional Requirements
Proprietary Funds Statement of Net Position	See GASB 2200	No additional requirements.
Fiduciary Funds (including fiduciary component units)	See GASB 2200	No additional requirements.
Notes to the Financial Statements	See GASB 2200	See below for Treasury Additional Requirements for Notes Disclosures
Required Supplementary Information Other Than MD&A	See GASB 2200	No additional requirements.
Supplementary Information – General Fund Budgetary Reporting	For budgetary information reporting, see GASB 2400.121	No additional requirements.
Supplementary Information – Combining Statements	Not Required	<ul style="list-style-type: none"> Combining financial statements are required if there is more than one governmental or proprietary non-major funds including internal services funds, or by type of fiduciary fund (including fiduciary component units)— when a primary government has more than one type of fiduciary fund.
Deficiencies reported	N/A	When there are deficiencies reported, including any recommendations, improvement, or comments, a deficiency report must be filed separately online.

Reporting option 2: The following table provides the reporting requirements for audits performed under annual comprehensive financial reporting requirements. Please note that all the requirements in table 1 should apply to audits performed under reporting option 2.

Section	GASB Requirements	Treasury Additional Requirements
Introductory Section	GASB 2200	No additional requirements.
Supplementary Information: Budgetary comparison schedules for individual nonmajor special revenue and other governmental fund with legally adopted annual budgets	GASB2400	Budget to actual comparison schedules must include a column for variances.
Statistical Section	GASB 2800	No additional requirements.

Treasury Additional Requirements for Notes Disclosures

- **Property tax levies.** Numbered Letter 2001-17, formerly known as MCGAA Statement No. 9, item #9, requires disclosure of “Tax calendar, including lien date, levy date, due date, collection dates and other relevant information such as taxable value and the millage rates levied.” An example is as follows:

The local governmental unit property tax is levied on each December 1 on the taxable valuation of property (as defined by state statute) located in the local governmental unit as of the preceding December 31.

Although the local governmental unit’s 20X1 ad valorem tax is levied and collectible on December 1, 20X1, it is the local governmental unit's policy to recognize revenue from the current tax levy in the subsequent year OR the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 20X1 taxable valuation of the local governmental unit totaled \$XX.X million, on which Ad valorem taxes levied consisted of X. XXXX mills for the local governmental operating purposes, X. XXXX mills for ambulance services, X.XXXX mills for debt service, raising \$XX.X million for operating, \$X.X million for ambulance services, and \$X.X million for debt service. These amounts are recognized in the respective General fund, Special Revenue fund and Debt Service fund financial statements as taxes receivable-- current or as tax revenue.

- **Construction Code Activities.** Treasury Numbered Letter 2000-6, item #3, requires construction code revenue to be compared to related expenditures. This may be done in one of the following forms: separate fund, schedule as supplementary information, or footnotes to the financial statements.
- **Long-Term Debt.** Principal and interest requirements to maturity must be presented separately for each of the five subsequent fiscal years and in five-year increments thereafter for Governmental Activities, Business-Type Activities, and Discretely Presented Component Units. Treasury requires the totals of principal and interest for each column be included. Displaying this information for each debt issuance is optional.
- **Fund Deficits.** Deficits should be disclosed under the statutory non-compliance section of notes to the financial statements. For these purposes, the term “fund deficit” refers to the negative unrestricted fund balance (the total of committed, assigned, and unassigned fund balances) for governmental funds or negative fund unrestricted net position for proprietary funds. Deficits in each individual fund (not fund type) are to be considered when applying this section. Materiality should not be a determining factor in deciding which fund deficits

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are to be disclosed. If a fund deficit or surplus arises because of a change in GAAP, an appropriate note disclosure should be made.

- **Actuarially Determined Contributions (ADC) for Other Postemployment Benefit (OPEB) Systems.** For plans with a qualifying trust or equivalent arrangement, GAAP requires the disclosure of the ADC in the Required Supplementary Information (RSI) section of the audited financial statements in accordance with GASB No. 75. OPEB plans that are not administered through trusts are not required by GAAP to disclose the ADC in the RSI section of the financial statements; those plans should disclose this information in the notes to the financial statements instead of the RSI. Failure to calculate the ADC in compliance with the Numbered Letter 2018-3 will be considered in statutory noncompliance and shall be reported in the notes to the financial statements. Auditors shall also issue a finding for statutory noncompliance.

Acknowledgments

We appreciate the assistance of the Michigan Committee on Accounting and Auditing (MCGAA) in the development of this guidance. A current listing of members of this committee may be found on Treasury's [MCGAA Membership Information page](#).

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