



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

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UNIFORM REPORTING FORMAT

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Local units of government in Michigan should prepare and issue an annual financial report in a format that can be easily read and understood. The Michigan Department of Treasury (Treasury) establishes uniform reporting that is as nearly as practicable to the uniform standards as set forth by the Governmental Accounting Standards Board (GASB). The official who by law or charter is charged with the responsibility for the financial affairs of the local unit shall insure that local unit accounts are maintained and kept in accordance with these standards. The Michigan Department of Treasury requires all financial statements of local units of government to comply with generally accepted accounting principles (GAAP) and standards promulgated by this Department.

This document imposes additional reporting requirements that local units of government must comply with in addition to those required by GAAP. Current GASB requirements call for a range of options in preparing local unit financial statements, from a “basic financial statement” to a “comprehensive annual financial report,” as well as options for many disclosures and presentations such as reporting individual component units. The purpose of this document is to set forth additional items that are required to be reported in local unit financial statements.

In addition to this manual, there are several other documents that the governmental financial officials must be familiar with to adequately prepare an annual financial report for a local unit of government in Michigan. Compliance with these materials is required when they establish generally accepted accounting principles. Consult with your auditing firm or Treasury for further instruction. These materials include:

- **GASB Statements**
The primary source for guidance on the requirements for GAAP. The Codification of Governmental Accounting and Financial Reporting Standards published by the GASB, sections 2100-2800, provide a summary of the pronouncements that address the minimum requirements for the financial statements to be prepared in accordance with GAAP.
- Michigan Department of Treasury Numbered Letters
- Michigan Committee on Governmental Accounting and Auditing Statements

Other reference materials that do not have the level of GAAP, but are helpful in preparing GAAP-based statements are (compliance with Treasury materials is mandatory unless stated otherwise in the publication):

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

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).

Additional requirements by the State of Michigan

- All governmental fund(s) statement of revenues, expenditures and changes in fund balance are to present revenues and expenditures in the format prescribed by and in accordance with the Uniform Chart of Accounts.
- Discretely Presented Component Units - Separate columns are required in the Statements of Net Assets and Statement of Activities for all (including non-major) discretely presented component units following the Fiduciary fund financial statements or in the presentation of condensed financial statements in the notes to the financial statements.

Financial Statement Footnote Disclosures

- Property tax levies - 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
 - 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 including totals for each column representing total principal and interest. (Also see long-term debt for supplementary information below). Displaying this information for each debt issuance is optional.
- Fund Deficits - Deficits should be disclosed in the notes to the financial statements. The independent auditor should report the following noncompliance matters:
 - 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 are to be disclosed.
 - For reporting fund deficits, the term “fund deficit” is defined as below:
 - for governmental fund types—unrestricted (committed, assigned, unassigned) portion of fund balance.
 - for proprietary fund types--unrestricted net assets.
 - If a fund deficit or surplus arises because of a change in generally accepted accounting principles, an appropriate note disclosure should be made.

Supplementary Information (SI)

- Combining balance sheet and statement of revenues, expenditures and changes in fund balance for all non-major governmental funds.
- Combining statement of net assets, statement of revenues, expenses and changes in net assets and statement of cash flows for all non-major proprietary funds.

- Combining statement of net assets, statement of revenues, expenses and changes in net assets and statement of cash flows for all internal service funds.
 - Combining statement of net assets and statement of changes in net assets for all fiduciary funds.
 - Each combining statement must include a “total” column which equals the amount reported in the non-major funds column in the related basic financial statement, or the amount reported for internal service funds.
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Noncompliance with the Uniform Reporting Format may result in a rejection of the audit reporting package.

ACKNOWLEDGMENTS

We appreciate the assistance of the Michigan Committee on Accounting and Auditing in the development of this guidance. A current listing of members of this committee may be found on Treasury’s website, michigan.gov/treasury

Inquiries concerning this publication should be directed to:

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