ANNUAL REPORT – MODIFIED CASH BASIS
WHAT DO I DO FIRST? WHERE DO I FILE?

The annual report package may be completed in the following order when utilizing statements pulled down from the Legislative Audit website.

A. **Determination of Major Funds Worksheet –** This worksheet may be found in the training manual or pulled down from the DLA website. It will determine which funds are the "major" funds that must be presented in separate columns on the fund financial statements.

B. **Combining Worksheets – Nonmajor Funds –** There is a combining balance sheet and a combining revenue and expense statement. These worksheets will list the data from the nonmajor funds (the small ones) and combine them into one total column for later use.

C. **Fund Financial Statements – Governmental –** These are Exhibits III and IV. Each major fund will be presented in a separate column. Nonmajor funds, if any, will be combined and presented in one column. The amounts for the combined nonmajor funds will come from the combining worksheets.

D. **Fund Financial Statements – Proprietary –** Those entities that have proprietary funds, such as enterprise funds, should complete Exhibits V, VI and VII. Exhibit VII is optional for cash basis entities. The column headings derive from your major fund determination worksheet.

E. **Fund Financial Statements – Fiduciary –** Entities that have private purpose trust funds and agency funds will complete Exhibits VIII and IX. Agency funds do not have revenues and expenditures so they are only reported on Exhibit VIII. Fiduciary funds are not carried forward to the government wide financial statements. This is the only place where their balances will appear.

F. **Schedule of Changes in Long-term Debt –** This statement should be completed to provide information on your entity's long-term debt…..and should be prepared even if you are a cash basis entity.

G. **Schedule of Expenditures of Federal Awards –** This schedule should be prepared and retained to determine if your entity has spent more than $750,000 of federal funds during the year indicating that additional audit testing may be necessary.

H. **Budgetary Comparison Schedule –** This schedule should only be completed for the General Fund and major special revenue funds. The revenues and expenditures on this schedule should compare in total to Exhibit IV. Capital outlay expenditures on this schedule are reported on the "budgetary basis" meaning that they will appear within each respective function. The completion of this schedule is recommended. If completed, modified cash basis entities should consider this to be supplementary information, not required supplementary information.

I. **Notes the Supplementary Information-Budgetary Comparison Schedules-** These notes are disclosures that relate directly to the Budgetary Comparison Schedule.

J. **Conversion Entries –** Adjustments should be prepared in general journal format and retained for audit purposes. The adjustments represent changes necessary to be made to the fund financial statements to elevate those numbers to the government-wide financial statement level of presentation. For OCBOA entities there will be a limited number of conversion entries required.

K. **Statement of Net Position and Statement of Activities Worksheets –** The first column of these worksheets is copied forward from Exhibits III and IV. The conversion entries are then posted to columns two and three. Cross-footing will provide numbers for the fourth column which is the amount to be placed on the government wide statements.

L. **Program and General Revenue Worksheet –** Revenue accounts are pulled one-by-one from the statement of activities worksheet and collated onto the program and general revenue worksheet. Closely follow the guidance provided in the fifth column which specifies the suggested revenue type. When the program and general revenue worksheet is completed the subtotals will flow directly onto the statement of activities (Exhibit II).

M. **Statement of Net Position –** The fourth column of the statement of net position worksheet should be posted to the statement of net position (Exhibit I). Carefully follow the instructions of the fifth column on the statement of net position worksheet to receive guidance on which accounts to aggregate.

N. **Statement of Activities –** This statement is also called Exhibit II. Post the revenue subtotals from the program and general revenue worksheet. Then post the expenditures, beginning net position and ending net position from the statement of activities worksheet. Balance Exhibit I to Exhibit II by comparing the ending net position on Exhibit II to the total net position on Exhibit I.

O. **Notes to Financial Statements –** A sample shell of the notes to the financial statements is provided on our website. Pull this shell down and fill in the blanks, add or delete sections to make a set of notes that are representative of your entity.

P**. Remaining Supplementary Information (SI)**

1) Schedule of Funding Progress (OPEB)
2) Schedule of County's Proportionate Share of the Net Pension Liability (Asset)
3) Notes to Supplementary Information- Pension Schedule

Q. **Management's Discussion and Analysis (M, D & A) –** Prepare this letter by referring to the instructions and the sample letter provided on our website and in training. Most of the raw numbers needed for this letter will come from Exhibits I and II. If completed, modified cash basis entities should consider this to be supplementary information, not required supplementary information.

FILING AND PUBLISHING INFORMATION—COUNTY SPR

Annual Report Components should be distributed (email or post office) as follows:

	FILE WITH LEGISLATIVE AUDIT	PUBLISH	RETAIN IN OFFICE
Management's Discussion and Analysis (Optional)			✓
Government-Wide Financial Statements:			
Exhibit 1 - Statement of Net Position			✓
Exhibit 2 - Statement of Activities			✓
Fund Financial Statements:			
Exhibit 3 - Balance Sheet - Gov't Funds	✓		✓
Exhibit 4 - Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	✓		✓
Exhibit 5 – Statement of Position - Proprietary Funds	✓		✓
Exhibit 6 - Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	✓		✓
Exhibit 8 - Statement of Net Position - Fiduciary Funds	✓		✓
Exhibit 9 - Statement of Changes in Net Position - Fiduciary Funds	✓		✓
Notes to the Financial Statements			✓
Supplementary Information:			
Budgetary Comparison Schedule (Recommended)			✓
Notes to the Supplementary Information - Budgetary Comparison Schedule			✓
Combining Balance Sheet - Nonmajor Governmental Funds			✓
Combining Statement of Revenues, Expenditures and Changes Fund Balances - Nonmajor Governmental Funds			✓
Schedule of Expenditures of Federal Awards			✓
Schedule of Changes in Long-Term Debt	✓		✓
Schedule of Funding Progress (OPEB)			✓
Schedule of County's Proportionate Share of the Net Pension Liability (Asset)			✓
Notes to Supplementary Information- Pension Schedule			✓
Worksheets:			
Statement of Net Position - Worksheet			✓
Statement of Activities - Worksheet			✓
General and Program Revenues - Worksheet			✓
Major Fund Determination - Worksheet			✓
Published Statement:		✓	✓

If your entity is to receive an audit, then both the audit report and the annual report should eventually be filed with the Department of Legislative Audit.