



Reporting Township Funds On Your AFR

REVIEW OF FY 2001 AFR REVEALS NEED FOR ADDITIONAL FUND INSTRUCTIONS

The FY 2001 Annual Financial Report (AFR) has undergone a few changes to better assist governments report financial data to the Office of the Comptroller. Step 9 of the AFR ask for detailed information about government funds. After reviewing FY 2000 AFRs we noticed a large number of governments incorrectly reporting their funds. This handout has been designed to assist you report funds correctly.

STEP 9: FUND LISTING

A. List all funds and how much was spent in FY 2001 for each fund. Also, indicate the Fund Type (fund types are at the top of each column beginning on page F1). If any fund names applied before that date is based on forms submitted last year. Please make all necessary corrections. If you have more fund names than the rows provided below, please indicate them on an attachment.

Fund Name	Expenditure	Fund Type	FY End
Town Fund	\$	General	3/31/01
Road & Bridge	\$	Special Revenue	3/31/01
General Assistance	\$	Special Revenue	3/31/01

B. Does ABC Township have assets or liabilities that should be recorded as a part of Account Group? See Chart of Accounts and Definitions and the How To Fill Out An AFR documents for more information about Account Groups.

Yes No

If "No" please verify that "Cash - With No Assets" is selected in Step 3, Question A.

HOW TO REPORT YOUR TOWNSHIP FUNDS

NAME OF FUND: Indicate in Step 9 the name of each legally or legislatively restricted fund for your unit of government. Do not list accounts (see below). All townships have a "Town" Fund or General Fund. Record the fund name in the column titled "Name of Fund." Townships with Road & Bridge Districts (RBD) should record all road & bridge funds in the following rows. Any other funds (cemetery, park, library, etc.) should be recorded in the following rows under the column Fund Name. If General Assistance is a legally separate fund, it may also be recorded as a separate fund.

EXPENDITURE: In this column, record the total amount of money spent in each fund. Expenditures listed in this section should approximately equal expenditures listed in the Expenditures/Expense section of the AFR in Code 270 – Total Expenditures. If there are significant differences between the amounts recorded in this steps and the total expenditures (Code 270) an explanation should be provided.

FUND TYPE: There are seven fund types available for use by units of government. Available fund types can be identified in the column heading in the first several financial pages (F1—F5). A substantial number of township governments only use two fund types including general and special funds. However large townships may use several different fund types. All townships have at least one general fund which may be known as the

town or township fund.

All townships with road & bridge district funds should be indicated in the Special Revenue Fund column.

Any accounts that are not legally segregated into special fund types, or other designated fund types should be considered part of the general fund.

General funds can be used to pay for any or all expenses incurred by the township. Special funds may only be used to pay for specific township expenditures. RBDs usually have 3 to 5 special funds including road & bridge, gravel & oil, special bridge and equipment funds.

REPORTING THE FINANCIAL DATA

The financial data for all like fund types, identified in Step 9 should be combined and recorded in the appropriate column. Amounts for the "Town" or general fund should only be recorded in the first column of the financial section of the AFR. Most amounts for the RBD should be combined and recorded in the second column in the financial section, titled "Special." If you do not indicate any funds other than the general fund in step 9 you should only record amounts in the "General" column in the financial section of the AFR. For more detailed information about funds refer to the "How To Fill Out An AFR" hand-out.

WHAT'S THE DIFFERENCE?

BETWEEN A FUND AND AN ACCOUNT

Local officials often ask the question "What is the difference between a fund and an account?" Let's shed some light on this question.

An **account** may have a separate checking or savings account, it may have its own line in your budget, and a separate levy, but if it is not legislatively or statutorily restricted it is not a fund.

A **fund** is created through an ordinance or legislation and its monies are legally restricted. Funds often restrict what monies can pay for services and it prohibits the movement of monies from one fund to another without the approval of the board of the unit of government.