



Summary of Annual Financial Reporting Changes (Effective Fiscal Years Ending in 2023)

Financial Statements

- Municipalities that maintain sub-funds will aggregate this activity into one fund. Sub-funds will no longer be reported separately.
- Police and Fire retirement system contributions will be reported separately. Fire contributions are to be accounted for in the new code 9016.8 – Fire Retirement – Employee Benefits.
- Enterprise funds will require the reporting of adopted budget information. Previously, information from enterprise fund budgets was not required.
- Reporting of negative values in the financial statements will be very limited. In most cases, issues resulting in a negative entry will need to be resolved by reporting in the appropriate account code in the Annual Financial Report (AFR). For example:
 - Cash must be reported as a positive amount, and negative cash (if any) must be reported (as a positive number) in the new code 633 – Due to Financial Institution for Overdrawn Accounts.

Bank Reconciliation

- Bank accounts will be associated with their respective funds in the financial statements.

Fire District Questionnaire

- Fire districts will be required to report their statutory spending limit.

Energy Costs and Consumption

- The Energy Costs and Consumption schedule will not be collected in the AFR.

Bulk Load Feature

- Financial data may be loaded into the application using the [bulk load feature](#).

Statement of Indebtedness

- The chart below indicates the changes in Statement of Indebtedness reporting from the current AUD to the new AFR:

Current Annual Update Document (AUD)	New Annual Financial Report (AFR)
Debt issuances broken out as separate debt records if issuance has multiple purposes.	Debt issuances reported as a single debt record, even if there are multiple purposes.
Interest rates are reported for each debt issuance.	Interest rates are not reported.
Interest paid is not reported in the schedule.	Interest paid is reported for each debt record.
Bond Anticipation Note (BAN) renewals reported on SOI by updating maturity dates.	BAN debt records will collect amount renewed and the amount of any new money issued.
Debt records grouped by constitutional debt limit status (exempt and non-exempt)	Exempt status from constitutional debt limit is not reported.
Paid amounts for bonds and bond anticipation notes include refunded amounts.	Any refunded portion of a bond or bond anticipation note is reported on a separate line from principal payments.
Debt that is issued or paid by proprietary funds is reported the same as debt supported by governmental funds, resulting in several system edits that require explanation.	Users can indicate whether debt is issued for a proprietary fund or whether debt payments are made from proprietary funds to avoid unnecessary edits.

In addition to the above, the new AFR will also require users to:

- Indicate whether the debt is issued by the Environmental Facilities Corporation (bonds and BANs only),
- Indicate whether the debt is administered by the United States Department of Agriculture (bonds only),
- Indicate whether the debt was a private sale and, if so, provide the name of the lender,
- Identify which fund(s) is (are) responsible for servicing the debt,
- Provide an explanation for any debt that has an outstanding balance beyond its maturity date, and
- In the case of a bond refunding, indicate whether the refunding was current or advanced.

Bond Repayment Schedule

- This new supplemental schedule will collect the total bond principal and interest due for each year through the final maturity of all bonds reported on the statement of indebtedness. All principal and interest payments for bonds should be combined and reported in one schedule. An example is shown below.

Bond Repayment Schedule				
Fiscal Year Ending	Aggregate Bond Principal Payments	Aggregate Bond Interest Payments	Aggregate Principal and Interest Due	Remaining Principal Balance
2023	\$5,000	\$1,000	\$6,000	\$10,700
2024	\$5,200	\$800	\$6,000	\$5,500
2025	\$5,500	\$500	\$6,000	\$0
Total	\$15,700	\$2,300	\$18,000	