

## Top Ten Reporting Issues for Counties Financial Transactions Report

1. Major variances require footnotes. If there is an overall reporting change, add an explanation in the Comments form. Invalid footnotes will be questioned by staff upon review of Financial Transactions Report (FTR). Simply noting "Correct," "Confirmed OK," "Unaudited Numbers," or "Preliminary Number" is not acceptable. Please indicate what caused the variance (i.e., New AB 1234 law enforcement grant).
2. If you were advised in a prior year of an adjustment, correct it in the current year report.
3. Report all Airport, Hospital, and Refuse activity on the appropriate Enterprise/Activity form regardless of whether accounted for as Enterprise or Non-Enterprise. If reported as Non-Enterprise, the Net Income/Loss must be manually added as an adjustment on the Statistics and Summary form. Report other enterprise-like activities (e.g., golf course, park, etc.) that are classified as Governmental in the general revenue and expenditure forms.
4. Report revenues by the original revenue source, not by how they are used or the department/fund receiving them.
5. The Vehicle License Fee (VLF) and Sales Tax Realignments each have four different allocations: Social Services (SS), Public Safety (PS), Mental Health (MH), and Health Services (HS).
  - VLF: Combine all VLF realignment revenues for SS, PS, MH, and HS, and report the total in the Realignment from VLF field.
  - Sales Tax: Report Sales Tax SS, PS, MH, and HS realignment revenues separately in their respective fields.
6. The Other fields on the revenue and expenditure forms are for items that do not apply to a hard-coded field elsewhere on the form. Please review all of the fields on the forms before reporting an item as other.
7. Transfers In/Out between funds other than Governmental or Enterprise should include transfers to/from Trust Funds and Internal Service Funds only. If transfers from Trust Funds include money that has never been recognized as revenue, report the money by the original revenue source. For example, if VLF Realignment goes directly into a Trust Fund upon receipt, report these funds as State, VLF Realignment, when they are transferred from Trust.

8. All debt reported must have Principal and Interest (P&I) payments. If there are no payments, provided a footnote to explain why there are no current year payments.
  - Long-Term Debt
    - Any Certificates of Participation or Lease Revenue Bonds that involve a Public Financing Authority/Corporation should be reported as a Lease Obligation.
  - Other Long-Term Debt
    - Liability type debts that have no P&I payments (e.g., Compensated Absences and Landfill Liabilities) as well as interfund loans (i.e., General Fund loan to Enterprise) should have Adjustments to show the current year increase/decrease.
    - Report construction-related State or Federal loans on the Construction Financing form.
  - Lease Obligations
    - The Total Unmatured Principal (Only) End of Fiscal Year balance must reconcile to the prior year ending balance:  
(PY Principal Only End) – (CY Principal Payment) = (CY Principal Only End)
    - Report lease terms of less than 10 years (e.g., copiers, vehicles, etc.) on the Other Long-Term Debt form as Other loan type.
  
9. Report actual current-year figures only; thus, report Prior-Year Adjustments (any correction to a prior-year figure) as an adjustment on the Statistics and Summary form, with the following exceptions:
  - Accruals, accrual reversals, and indirect cost credits may be reported in the revenue and expenditure fields. If any of these amounts creates a negative, please footnote the actual current-year figure.
  - As the Enterprises do not carry forward balances, no prior-year adjustments are necessary.
  
10. We cannot grant extensions. You may submit your report via file transfer protocol (FTP). If you are unable to submit your report via FTP, please contact the Local Government Reporting Section at LGRsupport@sco.ca.gov or (916) 322 9672 for other options. You must submit the signed Cover Page and the Bureau of Census form by mail.

Don't forget your budget. Send it to the attention of Wendy Dear. Please note that we need a separate copy for our Cost Plans Unit. To meet the Budget filing deadline, submit an unbound copy or an electronic version when the figures are final. Please provide a final, bound hardcopy when available.