

# MaherDuessel

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## DCED Reporting and Common Errors

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## PA DCED

- “ To encourage the shared prosperity of all Pennsylvanians by supporting good stewardship and sustainable development initiatives across our commonwealth.”
- Requires local governments to file annually
- Filing provides statistical and financial data of local governments
- <https://dced.pa.gov/>

# Who Must File?

- Form DCED-CLGS-30
  - Cities
  - Boroughs
  - Townships
  - Home rule communities
- Form DCED-CLGS-20
  - Counties
- Form DCED-CLGS-04
  - Authorities created under the Municipal Authorities Act of 1945
  - Due July 1 (calendar year-end) or 90 days after year-end (fiscal year-end)

# Who Can Complete the Form?

- Cities: Director of Accounts and Finance
- Boroughs and First-Class Townships: Elected Auditors, Independent Auditor, or Controller
- Second-Class Townships: Elected Auditor or Independent Auditor
- Home Rule Communities: In accordance with charter

# When and Where Must the Form Be Filed?

<b>Entity</b>	<b>Where Report Must Be Filed</b>	<b>Filing Deadline</b>
Cities	DCED ( <a href="http://munstats.pa.gov/forms">munstats.pa.gov/forms</a> ) City Council	March 1 Stated Meeting during March
Boroughs and Townships	DCED ( <a href="http://munstats.pa.gov/forms">munstats.pa.gov/forms</a> ) Clerk of Courts or Prothonotary Municipal Secretary	April 1 April 1 April 1
Home Rule Communities	DCED ( <a href="http://munstats.pa.gov/forms">munstats.pa.gov/forms</a> ) Other entities - In accordance with charter	April 1

# DCED Independent Auditor's Opinion

- Regulatory basis of accounting
- Does not meet reporting framework required by GAAP due to omission of the following:
  - Government-wide and cash flow presentation
  - Major fund presentation
  - Component unit financial information
  - Footnote disclosures
  - Required Supplementary Information
- Adverse GAAP opinion

# DCED-CLGS-30

- Components
  - Balance Sheet
  - Revenues
  - Expenditures
  - Debt Statement
  - Statement of Capital Expenditures
  - Employee Compensation
- DCED Chart of Accounts

# Common Errors and Issues

- Tax revenues recorded are compared to types filed within the DCED Tax Information Form
  - Must be categorized regardless of amount
  - Do not use unclassified revenue line
- Designated Real Estate Tax
  - If debt, capital, or other special purpose related
    - must be allocated to a debt service, capital project, or special revenue fund



# Common Errors and Issues

- The following should match the state contribution to the dollar:
  - Liquid fuels and turnback
  - Foreign fire insurance tax
  - Marcellus shale impact fee
  - Act 205 State Aid
    - Transfer from general fund to fiduciary fund required

# Common Errors and Issues

- 1% max of total revenue and expenses
  - All other unclassified revenue and expenses
  - DCED expectation is a number as close to zero as possible
  - Refer to DCED chart of accounts to further categorize revenue and expense

# Common Errors and Issues

- The following categories are compared for inclusion of both revenues and expenses:
  - Foreign Fire Insurance Tax (355.07 & 411.00)
  - Public Safety (362.00 & 410.00-419.00)
  - Parking (363.20 & 445.00)
  - Wastewater/Sewage (364.10 & 429.00)
  - Solid Waste Collection/Trash (364.30 & 420.00-425.00)
  - Health/Human Services (365.00/366.00 & 420.00-425.00)
  - Culture and Recreation (367.00 & 451.00-459.00)

# Debt Statement

- Report rollforward of outstanding debt regardless of basis of accounting
  - Bonds
  - Notes
  - Capital leases
  - Municipal liability for Authority debt guaranteed through a lease rental agreement
- Does NOT include other long-term liabilities such as compensated absences

# Statement of Capital Expenditures and Employee Compensation

- Use the Municipality's own definition of capital assets
  - Generally include additions to value of fixed assets including land, buildings, machinery, and equipment
  - Road repairs not generally included
- Employee Compensation
  - Total W-2 wages to employees, officers, and elected officials
  - Total state wages per W-3

# DCED-CLGS-04

- Components (First year of E-file)
  - Primary Information
  - Officials List
  - Geographical Areas Served
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Fiduciary Net Position
  - Statement of Changes in Fiduciary Net Position
  - Debt Statement

# DCED-CLGS-04

- Primary Information
  - Similar to prior year's cover sheet
    - Contact information
    - Number of employees
    - Filing status
- Officials List
  - Must include President, Secretary, Treasurer, Solicitor
  - Current members only

## DCED-CLGS-04

- Statement of Revenues, Expenses, and Changes in Net Position
  - Must complete for each facility type
  - Non-Operating Revenues/Expenses
    - Non-operating grants
    - Investment earnings
    - Interest expense
    - Gain/loss on sale of assets
    - Other financing sources and uses
    - Capital contributions



# Financial Statement Advertisement

- Published within 10 days of completion in a general newspaper or circulation within the municipality
- Includes a concise financial statement
  - Must include a minimum of the following
    - Total Assets
    - Total Liabilities
    - Total Net Position
    - Total Revenue
    - Total Expenses
    - Change in Net Position

# Sources

- DCED-CLGD-30 Tip Sheet
- DCED-CLGD-30 Instructions
- DCED-CLGD-04 Tip Sheet

# Questions? Contact Me!

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