

## 4. REPORTING

### 4.3 Financial Statements

#### 4.3.13 Fiduciary Fund Resources and Uses Arising from Cash Transactions (C-5)

##### Applicability

- 4.3.13.10 Statement C-5 should be prepared for all trust and agency funds. Exclude all payroll and claims clearing funds and special purpose districts. Statement C-5 does not need to be prepared if the government is filing the required schedules using the SAO Online Filing option. The SAO online reporting system will automatically generate this Statement.
- 4.3.13.15 Local governments are **required** to update the incorrect financial statements. The requirement applies to all errors found prior or during an audit.
- 4.3.13.20 Local governments with total revenues of \$2 million or less are not required to prepare C-4 or C-5 statements unless debt covenants, a contract, a grantor or the city/county/district's legislative body requires the city/county/district to prepare the financial statements or to receive a financial statements audit. If this request is made, C-4 and C-5 statements and notes should be prepared. The \$2 million threshold calculation excludes any proceeds from issuance of long-term debt and resources held by the government in its fiduciary capacity. Local governments which choose not to prepare C-4 and C-5 statements must have their budgeted information available for the audit.
- 4.3.13.30 If more than \$750,000 (\$500,000 for fiscal years beginning prior to December 26, 2014) in federal funding was expended by the entity during the year and a federal single audit is required, the entity must prepare financial statements if it has expenditures of federal funds from more than one program or cluster. However, an entity that normally does not prepare financial statements may not need to prepare them for the single audit if it has expenditures from only one program or cluster. Entities should consult with their local SAO team or the SAO [HelpDesk](#) if they have questions about this requirement.
- 4.3.13.40 **Instructions**
- a. To prepare, enter beginning cash and investments. Enter any adjustments related to prior periods (net 3881000 and 5881000). Then enter total revenues (310-360), other increases and financing sources (380 and 390), total expenditures (510-570), other decreases and financing uses (580 and 590). Then foot the statement to calculate ending cash and investments.
  - b. *Beginning and ending cash and investments* on Statement C-5 should equal the *beginning and ending cash and investments* on Schedule 01. These amounts should also agree to the *beginning and ending cash and investments* on Schedules 11.
- 4.3.13.50 Each fund should be presented in a consolidated manner. That is, any intrafund activity, representing transactions or transfers occurring within the fund between departments, programs or managerial funds, should be eliminated.
- 4.3.13.60 Fund names should be appropriately clear for external financial reporting purposes. The name does not need to match exactly to the fund name used in the government's accounting system.
- 4.3.13.70 The *Total for All Funds (Memo Only)* column is a sum total of amounts reported for all funds. It is labeled as a memorandum total because interfund activity is not eliminated.

4.3.13.80 For external financial reporting purposes, amounts should be presented in whole dollars.

**City of Example**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 201X**

		<u>Total for All Funds (Memo Only)</u>	<u>635 Customer Deposit Fund</u>
308	Beginning Cash and Investments	12,764	12,764
388/588	Prior Period Adjustments, Net	-	-
310-360	Revenues	-	-
380-390	Other Increases and Financing Sources	200	200
510-570	Expenditures	-	-
580-590	Other Decreases and Financing Uses	-	-
	Increase (Decrease) in Cash and Investments	<u>200</u>	<u>200</u>
508	Ending Cash and Investments	12,964	12,964

The accompanying notes are an integral part of this statement.