

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM REQUIREMENTS – NON-GAAP ITEMS

[Updated June 2025]

COVER PAGE

- Describe the document as an Annual Comprehensive Financial Report (ACFR).
- Indicate the name of the government¹ and the state in which it is located.
- Clearly indicate that the report covers the entire fiscal period (e.g., “for the fiscal year ended”) rather than one point in time (e.g., “as of”), using the month, day, and year sequence.
- When comparative statements are presented, the fiscal periods indicated on the report cover should be the same periods covered by the independent auditor’s report.
- The name of the auditor and the auditor’s logo should not be included on the cover page as it implies responsibility for the contents of the report.
- For stand-alone ACFRs, indicate that the entity is a fund or a component unit of another government, if applicable (e.g., “Annual Comprehensive Financial Report of XYZ Authority – An Enterprise Fund of the City of XYZ”).

If a title page is **not** included, the following should be included on the report cover:

- Indicate the individual or department responsible for preparing ACFR.

TITLE PAGE (If all the required contents listed below are included on the cover page, a title page can be excluded)

- Describe the document as an Annual Comprehensive Financial Report.
- Indicate the name of the government and the state in which it is located.
- Clearly indicate that the report covers the entire fiscal period (e.g., “for the fiscal year ended”) rather than one point in time (e.g., “as of”), using the month, day, and year sequence.
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- Indicate the individual or department responsible for preparing ACFR.

GENERAL FORMAT

- The report should be free of inconsistencies. Amounts reported within the ACFR should agree with related amounts reported elsewhere within the ACFR.
- A table of contents should be included that encompasses the entire report.
- Numbering should be sequential throughout the entire ACFR, and each page should include a page number.
- The pages of an electronic ACFR should be presented in a manner in which pages should not have to be rotated to read the text.
- If a statement or schedule occupies more than a single pair of facing pages, indicate that it is “continued” on the following page(s).
- All text and numbers should be legible, with consideration for the size, font, and resolution.
- Round amounts to at least the nearest dollar; if rounded in thousands or larger increments, clearly indicate that fact.
- A separate compliance section, if applicable (e.g., a federal single audit), should be presented after the statistical section.
 - Governments, such as school districts, may be required to provide information not normally required in an ACFR (for example, supplementary information to gather certain information or demonstrate legal compliance). That additional information should be presented as other supplementary information at the end

¹ The term “government” refers to any state, local general purpose, or special purpose government.

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM
REQUIREMENTS – NON-GAAP ITEMS**

[Updated June 2025]

of the relevant subsection (e.g., governmental funds) of the financial section of the report (after any RSI that follows the notes to the financial statements or immediately after the notes if no RSI is presented). Such information should not be presented as RSI.

- References should be made to government-wide activities, funds or fund types only if they are applicable to (used by) the government.
- Fund names should be used consistently throughout the report.

INTRODUCTORY SECTION

General

- Include a reproduction of the Certificate of Achievement for Excellence in Financial Reporting award, if received in the prior year.
- Include a list of principal officials, indicating the date as of which the list reflects incumbency.
- Include an organizational chart.

Letter of Transmittal

- Include a letter of transmittal in the Introductory Section.
- Present the first page of the letter on the government’s official letterhead stationery.
- The date of the letter should be the date the ACFR is released to the public, which is no earlier than the date of the independent auditor’s report.
- Address the letter to the government’s citizens (when appropriate), as well as others (e.g., the governing board, the executive or legislature of a higher level of government).
- At a minimum, the letter should be signed by the chief financial officer, and may be signed by other officials (e.g., the chief executive officer, or chief operating officer).⁰ Alternatively, each may present a separate transmittal letter.
- Communicate information in a less technical fashion than in the financial or actuarial sections. Use charts and graphs, as necessary, to complement the discussion.
- The letter of transmittal should direct readers to the management’s discussion and analysis (MD&A).
- Consider dividing the letter into four sections: the formal transmittal, a profile of the government, information useful in assessing the government’s economic condition, and awards and acknowledgements.
- Consider limiting the contents of the letter to the following:
 - Formal transmittal
 - Mention any legal requirements the ACFR is intended to fulfill and acknowledge that management is responsible for the contents.
 - Address the results of the independent audit.
 - Discuss the government’s internal controls, including their objectives and inherent limitations.
 - At a minimum, consider stating that because the cost of a control should not exceed the benefits to be derived and that the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.
 - Profile of the government
 - Include the population, and a description of the government’s structure.
 - Describe the types of services provided (e.g., fire protection, parks and recreation), or programs offered (e.g., swimming, and baseball).
 - School districts should describe the scope of instructional services provided (e.g., K-12, or high school only), identify the types of programs that the school district offers (e.g., general education, special education, vocational education), provide information about the number of students in the district, information useful in assessing the district’s economic condition (e.g., projected enrollment, and age of the school buildings) and if applicable, a description of the school district’s relationship to other governments (for example, is it a component unit of the county).

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM
REQUIREMENTS – NON-GAAP ITEMS**

[Updated June 2025]

- Disclose the inclusion of component units as well as the exclusion, as appropriate, of potential component units that the average reader might expect to see included within the financial reporting entity.
- Briefly summarize the budget process, including which governmental funds are annually or biennially appropriated, and the legal level of budgetary control.
- Describe the lowest level at which appropriations are adopted.
- Information useful in assessing a government’s economic condition
 - Provide information on the local economy, long-term financial planning, and financial policies that had a significant impact on the current statements (e.g., general fund reserves, reserves in other funds, and the use of one-time revenues).
 - Describe major budgetary initiatives that had a significant impact on the statements.
 - If a government discloses a tax abatement in the notes to the financial statements, GFOA recommends that the government include other information in the letter of transmittal that provides the reason for and expected long-term benefits of tax abatements. See GFOA best practice “Tax Abatement Transparency” (<https://www.gfoa.org/materials/tax-abatement-transparency>).
- Awards and acknowledgements
 - Discuss objective indicators of the quality of the government’s financial management (e.g., a GFOA Distinguished Budget Presentation award, GFOA Popular Annual Financial Reporting award, or the GFOA Triple Crown award).
 - Acknowledge the individuals involved in the preparation of the ACFR, or those who contributed to the quality of the government’s financial reporting or internal controls.

FINANCIAL SECTION

Auditor’s Report

- Present the independent auditor’s report as the first item in the financial section.
- The audit should be conducted in conformity with generally accepted auditing standards (GAAS) or generally accepted government auditing standards (GAGAS/GAS (*Government Auditing Standards*)).
- The scope of the independent auditor’s opinion should provide at least “in relation to” coverage for all combining and individual fund statements and schedules included within the financial section of the ACFR.
- If the auditor expresses only an “in relation to” opinion on the combining and individual fund financial statements, those statements should not contain any reference to the notes.
- The auditor’s opinion should indicate if the required supplementary information has been omitted or is inadequate.

Management’s Discussion and Analysis (MD&A)

- Ensure all financial analyses are accurately presented. For example, the purchase of a capital asset would decrease fund balance in the governmental funds but have no effect on the net position reported in the government-wide statement of net position (e.g. the capital asset would be offset by a decrease in another asset and/or an increase in a liability).
- Amounts reported in the MD&A should agree with related amounts reported elsewhere within the ACFR.

Basic Financial Statements

- General
 - Include a reference to the notes on each of the basic financial statements.
 - Locate the government-wide statements before the fund financial statements.
 - The title of the following statements should refer to a point in time (e.g., “June 30, 20XX”) rather than to a fiscal period (e.g., “for the fiscal year ended…”):
 - Government-wide Statement of Net Position
 - Balance Sheet – Governmental Funds

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING PROGRAM
REQUIREMENTS – NON-GAAP ITEMS**

[Updated June 2025]

- Reconciliation of government funds balance sheet to governmental activities statement of net position
- Statement of Fund Net Position – Proprietary Funds
- Statement of Fiduciary Net Position
- The title of the following statements should refer to a fiscal period (e.g., for the fiscal year ended...) rather than to a point in time (e.g., “June 30, 20XX”):
 - Government-wide Statement of Activities
 - Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
 - Reconciliation of government funds statement of revenues expenditures and changes in fund balance to governmental activities statement of activities
 - Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
 - Statement of Cash Flows – Proprietary Funds
 - Statement of Changes in Fiduciary Net Position
- Financial statements within each category (i.e., government-wide, governmental funds, proprietary funds, and fiduciary funds) should articulate with one another (e.g., the amount reported for net position at the end of the year in the government-wide statement of activities ties to the corresponding amount reported for net position in the government-wide statement of net position).
- Government-wide Statement of Net Position
 - Include subtotals for current assets, noncurrent assets, current liabilities, and noncurrent liabilities when the classified approach is used.
 - Include totals for assets, deferred outflows, liabilities, and deferred inflows.
- Fund Statements
 - Governmental Funds
 - Statement of Revenues, Expenditures, and Changes in Fund Balance
 - Sufficiently detail the classification of revenues by source to be meaningful.
 - Proprietary Funds
 - Statement of Fund Net Position
 - Include subtotals for current assets, noncurrent assets, current liabilities, and noncurrent liabilities.
 - Include totals for assets, deferred outflows, liabilities, and deferred inflows.
 - Statement of Revenues, Expenses, and Changes in Fund Net Position
 - Sufficiently detail the classification of revenues and expenses to be meaningful.
 - Fiduciary Funds
 - Refrain from presenting a total column for all fund-types in the fiduciary fund statements.

Note Disclosures, including the summary of significant accounting policies

- Refrain from referring to unaudited data in the note disclosures.
- Consider using a uniform availability period for governmental revenues. However, in situations when the government wishes to extend the availability period in connection with expenditure-driven grants, consider retaining the shorter availability period for all other revenues.
- Disclose the major revenue sources that are susceptible to accrual.
- Disclose when a component unit does not issue separate financial statements.
- Disclose if the financial reporting entity is composed solely of one or more funds of some other government (other than a component unit), and the nature of that relationship (e.g., an enterprise fund or a departmental report).
- If the ACFR is for an enterprise fund (rather than a component unit) of a primary government, the notes should disclose the primary government of which the enterprise fund is an integral part and the fund’s relationship to the primary government.
- Disclose the measurement focus and the basis of accounting used in governmental, proprietary and fiduciary funds.

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REQUIREMENTS – NON-GAAP ITEMS**

[Updated June 2025]

- Disclose the amounts of individual restricted asset accounts, if not provided on the face of the financial statements.
- Format the disclosure for interfund transfers by individual fund to allow the individual fund data to be traced to the corresponding column in the basic financial statements (e.g., by the use of headings and subtotals).
- Disclose the following details for individual long-term debt issues, if practical. If the number of individual issues outstanding makes disclosure for each issue impractical, provide the following information only for long-term debt issued in the current year.
 - Purpose for which debt was issued
 - Original amount of the debt
 - Type of debt (e.g., general obligation bonds, revenue bonds)
 - If applicable, summary of related bond covenants
 - Amount of installments
 - Interest rate
 - Range of maturities
 - Applicability of federal arbitrage regulations
- Amounts reported in the notes to the financial statements should agree with amounts reported on the face of the financial statements.

Required Supplementary Information (RSI)

- Clearly label the required supplementary information. RSI should not include a reference to the *accompanying notes to the financial statements*.
- Budgetary Comparison Schedules
 - Use neutral terms (e.g., increase/decrease or over/under) to describe the variance columns.
 - When changes have not been made to the budget during the year, present only one budget column labeled “original and final budget.”
 - When the presented budgetary comparison does not demonstrate compliance with the legal level of budgetary control, the government should present the budgetary comparison schedule at the minimum (functional) level of detail in RSI and include a second budgetary comparison schedule with the detail at the legal level of budgetary control as other supplementary information in the ACFR (in the combining and individual fund statements and schedules section).
 - Alternatively, if a separately issued budget report demonstrates compliance at the legal level of budgetary control, a copy of the separate report should be submitted to GFOA with the ACFR.
 - The separate report should be made available to the public (e.g., publish it on the government's website); and include a reference to the separate report (e.g., web address) in the notes to the RSI.
 - Amounts stated in the separate report should be easily traced to the ACFR and should be presented using the same fund structure as the budgetary comparisons found in the ACFR. Include subtotals and totals, and additional reconciliations or schedules, as necessary, to indicate how the amounts in the ACFR and the separate report articulate.

Combining and individual fund financial statements

- Amounts presented on any of the combining and individual fund financial statements and schedules should agree with the related amounts reported in the basic financial statements.

STATISTICAL SECTION

- Amounts reported within the statistical section should agree with related amounts reported elsewhere within the ACFR.
- Disclose the reason when ten years of data is not presented in a table that normally requires ten years, if applicable. In the same way, disclose the reason when the required data is not presented in a table for the period nine years prior to the current period, if applicable.