



Instructions: Report in Lieu of Audit

General information and instructions

- Oregon law (ORS 297.435) requires every municipality exempt from an annual audit or review to file financial statements with the Secretary of State Audits Division. Those statements are due within 90 days of the end of the municipality’s accounting (fiscal or calendar) year on this form.
- **Municipalities must complete this report each year regardless of whether they budget on an annual or biennial basis.**
- An officer of the municipality — usually the secretary, treasurer or board chair/president — must sign the report. For reports submitted electronically without a written signature, type in the name of the publicly elected official responsible for, and approving of, the information contained in the report.
- Enter all dollar amounts as whole numbers.
- This form will help you meet reporting requirements. You may access the [Report in Lieu of Audit form](#) on our website at sos.oregon.gov/audits/Pages/muniaudits.aspx by selecting “Report In Lieu of Audit Checklist.”

Software

For best experience, **save** the [Report in Lieu of Audit](#) form to your desktop. Then open it in [Adobe Acrobat Reader](#). Download Adobe Acrobat Reader for free at <https://get.adobe.com/reader>.

Definitions

In the RLA form, you can click on or hover over  icons for more information.

Municipal customer number

Find your municipal customer number online by:

- Visiting <https://secure.sos.state.or.us/muni/public.do>
- Entering your municipality’s name in the “Municipality name” field.
- Selecting any year and clicking the “Search” button.
- Locating your customer number to the right of the search results.

Fiscal year reported

This should be the municipality’s fiscal year. Some common fiscal periods are July 1, 20X1 through June 30, 20X2, and Jan. 1, 20X1 through Dec. 31, 20X1.

Registered agent

Oregon law (ORS 198.340) requires special districts to designate a registered office and a registered agent. The registered agent receives official notices on behalf of the district. The address of the registered agent must be the same as the district’s registered office. You can find the form used to designate a registered agent on our website at sos.oregon.gov/audits/Pages/muniaudits.aspx by selecting “Municipal Forms and Plan of Action Templates.”

Officers

The officers listed should include those that governed during the reporting period.

Continued...

Definitions, cont.

Fidelity or performance bond

To remain exempt from audit requirements under ORS 297.435(2)(c), the municipality must maintain a fidelity or faithful performance bond for its principal responsible official(s). **The amount must be at least equal to the total amount of money the municipal corporation received during the year (Part A total).** The certificate of insurance does not need to be filed with this report. The Secretary of State Audits Division will request the certificate if needed.

Budgeted and actual transactions – Instructions

Use this schedule to report the budgeted and actual revenues/receipts and expenditures/disbursements for the fiscal year. The municipality can report its general operating fund and up to two additional funds if necessary. Please fill in the names of additional budgeted funds (reserve, capital projects, debt service, etc.). If the municipality budgets more than three funds, copy a blank schedule to report the others. Municipalities with more than three funds will need to manually total all pages to ensure total revenues and total expenditures are accurately reported. Leave blank any accounts (line items) that do not apply to your organization.

The budget columns on this schedule should report the *final budgeted amounts*.

Final budgeted amounts: Calculate the budget amounts to be reported on this form:

$$\begin{array}{r}
 \text{Budget resolution, as adopted} \\
 + \text{ Amendments or Supplemental budgets, if any} \\
 + \text{ Appropriation transfers, if any} \\
 \hline
 = \text{ Final budgeted amounts} \\
 \hline
 \hline
 \end{array}$$

If your entity budgets by organizational unit or program (rather than object classification), then note the name of the organizational unit/program and the appropriate single amount for the unit or program on the form. You may also change the name of the line to better match your budget and specific operations. An *example is illustrated* on the following pages.

The actual columns should report receipts and disbursements during the year. If your organization is exempt from the requirements of the Local Budget Law (ORS 294), you are not required to complete the budget columns. However, you still must complete the actual columns. Add the actual amount for each fund across the row and enter the total in the far right column.

Please contact our office if you have questions. We are happy to help ensure you are confident the report is filled out correctly. An *example is illustrated* on the following page.

Transfers between funds

Transfers between funds and interfund loans are noted separately below the schedule. These transactions are common among municipalities with multiple funds. However, these amounts are not used in calculating the \$150,000 threshold to determine which report type should be filed with the Secretary of State at the end of the fiscal year. **Finally, transfers between funds should always net out to zero in the far-right column; transfers-out should always be equal to transfers-in.**

Illustrative example

Department of Revenue Resolution Statement:

The following display is from page 2 of the Resolution Adopting the Budget

Resolution No. 2018-01

RESOLUTION ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Directors of the Government Name hereby adopts the budget for fiscal year 20 18 – 19 in the total of \$ 287,598.00. * This budget is now on file at Street address, in City, Oregon.

RESOLUTION MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 20 18, and for the purposes shown below are hereby appropriated:

<p>General Fund</p> <p>Organizational Unit or Program:</p> <p>_____ \$ _____</p> <p>_____ \$ _____</p> <p>_____ \$ _____</p> <p>_____ \$ _____</p> <p>Not Allocated to Organizational Unit or Program:</p> <p>Personnel Services\$ 23,200.00</p> <p>Materials & Services\$ 51,200.00</p> <p>Capital Outlay\$ 10,000.00</p> <p>Debt Service\$ _____</p> <p>Special Payments\$ _____</p> <p>Transfers Out\$ _____</p> <p>Contingency\$ 30,000.00</p> <p>Total\$ <u>114,400.00</u></p>	<p>Debt Service Fund</p> <p>Debt Service.....\$ _____</p> <p>Total\$ _____</p> <p>Rodeo Fund</p> <p>Org. Unit/Program\$ <u>58,500.00</u></p> <p>Special Payments.....\$ _____</p> <p>Transfers Out.....\$ _____</p> <p>Contingency\$ <u>30,000.00</u></p> <p>Total\$ <u>88,500.00</u></p> <p>Fund</p> <p>Org. Unit/Program\$ _____</p> <p>Special Payments.....\$ _____</p> <p>Transfers Out.....\$ _____</p> <p>Contingency\$ _____</p> <p>Total\$ _____</p> <p>Total Appropriations, All Funds \$ <u>202,900.00</u></p> <p>Total Unappropriated and Reserve Amounts, All Funds \$ <u>84,698.00</u></p> <p style="text-align: right;">TOTAL ADOPTED BUDGET \$ <u>287,598.00*</u></p> <p style="text-align: right;">(*amounts with asterisks must match)</p>
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Secretary of State, Audits Division Report in Lieu of Audit Form:

The following display is from page 2 of the report in lieu of audit displaying how the budget columns would be completed.

To get to the total amount to be reported in the budget column for each fund, you must take the adopted budget (as reported on the Resolution Adopting the Budget form above) and add any supplemental budget resolutions or transfers. **Note:** you DO NOT need to file this form with the Audits Division – this example is illustrative in intent only.

In the following example you can see that there was a supplemental budget resolution that increased personal services in the general fund from 23,200 (per the resolution above) to 25,500 (as reported below). Additionally, there were transfers budgeted, as indicated in part c, but the transfer was not made during the year.

i Budgeted and actual transactions

Note: Budget columns are required if your organization is subject to the requirements of Local Budget Law (ORS 294).

Part A: Revenues/receipts	General operating fund		Fund: Rodeo		Fund:		Totals (actual columns only)
	Budget	Actual	Budget	Actual	Budget	Actual	
Property taxes	\$230,550	\$234,413					\$234,413
Charges for services	\$6,000	\$6,110	\$56,500	\$49,350			\$55,460
Assessments							\$0
Grants (state and federal)	\$2,500	\$2,500					\$2,500
Long-term debt proceeds							\$0
Other revenues	\$3,000	\$2,739	\$1,800	\$1,350			\$4,089
Part A total:							\$296,462

Part B: Expenditures/ disbursements	General operating fund		Fund: Rodeo		Fund:		Totals (actual columns only)
	Budget	Actual	Budget	Actual	Budget	Actual	
Personal services	\$25,500	\$25,300		\$22,000			\$47,300
Material and services	\$51,200	\$49,477		\$14,500			\$63,977
Capital outlay	\$10,000	\$9,883		\$12,000			\$21,883
Debt service							\$0
Contingencies	\$30,000		\$30,000				\$0
Other expenditures			\$58,500				\$0
Part B total*:							\$133,160

Rodeo Org Unit Total

i Part C: Transfers between funds

Transfer-in			\$ 2,000				\$ 0
Transfer-out	\$ 2,000						\$ 0