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Disclosure checklists for state and local governmental units : a financial reporting practice aid, Spring 1988 edition

American Institute of Certified Public Accountants. Technical Information Division

Susan Cornwall

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Spring 1988 Edition

**Disclosure Checklists
for State and Local
Governmental Units**
A FINANCIAL REPORTING PRACTICE AID

AICPA

American Institute of Certified Public Accountants

Disclosure Checklists for Corporations (Product No. 008445)

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Disclosure Checklists for Savings and Loan Associations (Product No. 008407)

Disclosure Checklists for State and Local Governmental Units (Product No. 008430)

Spring 1988 Edition

**Disclosure Checklists
for State and Local
Governmental Units
A FINANCIAL REPORTING PRACTICE AID**

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These checklists for state and local governmental units have not been approved, disapproved, or otherwise acted upon by any senior technical committees of the American Institute of Certified Public Accountants, the Financial Accounting Standards Board, or the Governmental Accounting Standards Board and have no official or authoritative status.

American Institute of Certified Public Accountants

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DISCLOSURE CHECKLISTS FOR STATE AND LOCAL GOVERNMENTAL UNITS

These checklists are not designed to be applied to the financial statements of colleges, universities, hospitals or nonprofit organizations.

The checklists included in this section have been developed by the staff of the Technical Information Division of the AICPA as nonauthoritative technical practice aids. At the request of certain AICPA members, these checklists are also being made available for purchase by AICPA members subject to their recognition of the following:

- o The checklists are "tools" and in no way represent official positions or pronouncements of the AICPA.
- o The checklists have been updated through Codification of Governmental Accounting and Financial Reporting Standards, Sixth edition (GASB), Audits of State and Local Governmental Units (AICPA), SAS No. 51, FASB Statement of Financial Accounting Standards No. 91, FASB Interpretation No. 39, and FASB Technical Bulletin No. 87-1. The checklists should be modified, as appropriate, for subsequent pronouncements. In determining the applicability of a pronouncement, its effective date should also be considered.
- o The checklists should be used by or under the supervision of persons having adequate technical training and proficiency in the application of generally accepted accounting principles and generally accepted auditing standards. A thorough knowledge of the provisions of "Codification of Governmental Accounting and Financial Reporting Standards, (June 1987)," The U.S. General Accounting Office's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (GAO's Standards for Audit, 1981 Revision), and the AICPA's "Audits of State and Local Governmental Units," (1986) is required for proper implementation of these checklists.
- o The checklists do not represent minimum requirements and do not purport to be all-inclusive. The referenced standards should be reviewed if clarification is desired as to whether the disclosures indicated are required or suggested and to what extent each disclosure is relevant to the statements being reviewed.

Users of these checklists are urged to refer directly to applicable authoritative pronouncements when appropriate. If you have any further questions, call the AICPA Technical Hotline (see back cover).

John Graves
Director
Technical Information Division

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General

Note 1: These checklists cover GAAP disclosures applicable to general purpose financial statements (GPFS) and do not address additional disclosures applicable only to a comprehensive annual financial report (CAFR).

.01 Many auditors and accountants find it helpful to use checklists as practice aids in the preparation of financial statements and reports. Some firms have developed their own checklists for internal use, and may also have specialized checklists to meet the needs of their practices, such as checklists for clients in particular industries or clients that report to the SEC. Some state CPA societies have developed checklists as practice aids which may be available to other practitioners as well as to their own members. Some commercial publishers also include checklists in certain of their publications. However, authoritative literature does not require the use of such checklists, nor does it prescribe their format or content, which may vary.

.02 Checklists typically consist of a number of brief questions or statements that are accompanied by references to a GASB or FASB Statement or Interpretation, an APB Opinion, or an AICPA Accounting Research Bulletin. The extent of detail included in checklists varies with the judgment of the preparers on how extensively to refer to and highlight authoritative literature without developing a checklist that is too long and unwieldy. Accordingly, checklists may serve as convenient memory aids but cannot be used as a substitute for direct reference to the authoritative literature.

.03 Checklists usually provide for checking off or initialling each question or point to show that it has been considered. The format used in these sections is a typical one; it provides for "yes," "no," and "not applicable" answers and presumes that remarks would be prepared on separate cross-referenced memorandums. Some preparers, however, prefer to include space for remarks in the body of the checklist while others prefer alternative checklist formats. For example, a checklist format may provide for the following set of answers: "not applicable," "not material," "in statements" and "in note" (with provisions for indicating a cross-reference to the specific statement caption or note). Another format may provide for only two answers, "disclosed" and "not applicable." Firms and practitioners who develop their own checklists should adopt formats that suit their needs and preferences.

.04 Disclosure checklists are generally accompanied by caveats that include all of the following points:

- o Use of the checklists requires the exercise of individual professional judgment and may likely require some modification based on the circumstances of individual engagements.

- o The checklists are not all-inclusive and are not intended to present minimum requirements.
- o Users need to modify the checklists for any pronouncements issued subsequent to those mentioned in the checklist.

If widespread circulation is expected, the preparers also generally stress the nonauthoritative or unofficial status of the checklists and disclaim responsibility for the way they may be used.

.05 Determine whether any pronouncements issued after August 1, 1987 have a bearing on the financial statements considered.

.06 Verify that all the comments and suggestions made by prior reviewers have been checked for current applicability or whether follow-up for the current year was advised. (This applies to in-house or external reviewers, e.g., GAO, etc.)

Financial Section - Auditor's Report

.01 These checklists have been developed by the staff of the Technical Information Division of the AICPA as a nonauthoritative practice aid. Accordingly, the notice on page 1 is incorporated herein by reference.

.02 Explanation of references:

- GAGAS = Generally accepted government auditing standards - Those auditing standards set forth in the publication "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions," ("Yellow Book") issued by GAO, 1981 Revision (being revised in 1988)
- GAO = General Accounting Office
- SAS = Statements on Auditing Standards
- (AU) = Reference to section number in AICPA Professional Standards (Vol. 1) of SAS cited
- GASB = Codification of Governmental Accounting and Financial Reporting Standards, second edition, by the Governmental Accounting Standards Board (revised June 1987)
- SFAS = Statements of Financial Accounting Standards
- FASB = Reference to FASB number in Accounting Standards, Original Pronouncements or to Accounting Standards, Current Text
- ASLGU = Audit and Accounting Guide, AICPA, 1986, Audits of State and Local Governmental Units

.03 Checklist Questionnaire

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Does the auditor's report include appropriate:			
a. Addressee? [SAS 2, par. 8 (AU 509.08)]	—	—	—
2. Does the report of the independent auditor precede the basic financial statements? [GASB 1, Sec. 2200.102 (GASB Cod. Sec. 2200.102)]	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. Does the auditor's report:			
a. Adequately identify the governmental reporting entity? [GASB 1, Sec. 2100.122 (GASB Cod. Sec. 2100.122)]	—	—	—
b. Cover all funds and account groups of the reporting entity and include both (a) the general purpose financial statements (GPFS) by fund type and account group and (b) combining statements by fund type and individual fund statements? [GASB 1 Sec. 2100.102, 2200.100 and .101 (GASB Cod. Sec. 2100.102, 2200.100 and .101)]	—	—	—
c. Indicate that all includable component units have been audited? [ASL GU, Ch. 18, par. 29]	—	—	—
d. Make reference to other auditors?	—	—	—
e. If the answer to 3d is yes, is disclosure made of the magnitude of the financial statements examined by the other auditors, as well as identification of the fund types and account groups in which the amounts are included? [SAS 1, par. 543 (AU 543.03); SAS 2, par. 14 (AU 509.14); ASL GU, Ch. 18, par. 38]	—	—	—
4. If the auditor is not independent, has the appropriate disclaimer been expressed regardless of the extent of services provided? [SAS 1, Sec. 220 (AU 220)]	—	—	—
5. Does the reporting language conform with the auditor's standard report on:			
a. Financial statements of a single year or period? [SAS 2, par. 7 (AU 509.07)]	—	—	—
b. Comparative financial statements? [SAS 15, par. 3, footnote 5 (AU 505.02-.03) ASGLU Ch. 18, par. 27]	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
6. Does the report include appropriate language in respect of the following:			
a. Departure from a promulgated accounting principle when conformity would result in a misleading presentation? [SAS 2, pars. 18-19 (AU 509.18-.19)]	—	—	—
b. Report of a predecessor auditor for prior year has not been included with current comparative financial statements? [SAS 7 (AU 315); SAS 15, pars. 8-12 (AU 505.8-.12)]	—	—	—
c. Date (or dual dates) of the report? [SAS 1, sec. 530 (AU 530); SAS 15, par. 2 (AU 505.02); SAS 26, pars. 15-17 (AU 504.15-17)]	—	—	—
d. Updating of a previously issued opinion? [SAS 15, pars. 2 and 6-7 (AU 505.02 and 505.06-.07)]	—	—	—
e. Comparative financial statements with differing opinions on individual financial statements? [SAS 15, par. 5 (AU 505.05)]	—	—	—
f. Decision to emphasize a matter? [SAS 2, pars. 9 and 27 (AU 509.09 and 509.27)]	—	—	—
g. Does the report cover the general purpose or component unit financial statements? [ASL GU Ch. 18 pars. 30-31]	—	—	—
h. Does the report on internal accounting control cover the internal accounting control based solely on a study and evaluation made as part of the audit of the general purpose or component unit financial statements? [GAGAS Ch. 5, p. 29; SAS 30 (AU 9642.18-25)]	—	—	—
i. Does the compliance report cover compliance with laws and regulations that may have a material effect on the general purpose or component unit financial statements, including the summary of questioned costs and/or instances of noncompliance? [GAGAS Ch. V, p. 28 and Ch. VI, p. 37]	—	—	—
j. Does the report on the general purpose or component unit financial statements cover			

Yes No N/A

all the required matters concerning the financial position and results of financial operations of the entire governmental unit and, if applicable, changes in financial position for all proprietary and similar trust funds?

[ASLGU, Ch. 18, par. 21]

— — —

k. Does the wording of the report contain a statement that the examination was made in accordance with generally accepted government auditing standards for financial and compliance audits as well as in accordance with generally accepted auditing standards?

[GAGAS Ch. V, pp. 27 and 28]

— — —

l. If the report is on one basic financial statement, does the report indicate that there are no scope limitations?

[SAS 2, par. 13 (AU 509.13)]

— — —

m. Audited and unaudited financial statements in comparative form?

[SAS 26, pars. 9 and 27 (AU 504.14-17)]

— — —

7. Has a qualified opinion or disclaimer of opinion been considered if:

a. Scope limitations precluded application of one or more auditing procedures considered necessary in the circumstances?

[SAS 2, pars. 10-13 (AU 509.10-.13); SAS 31, par. 22 (AU 326.23)]

— — —

b. The financial statements are affected by material uncertainties concerning future events, the outcome of which is not susceptible of reasonable estimation at the report date?

[SAS 2, pars. 21-26 (AU 509.21-.26); SAS 34, pars. 11-13 (AU 340.11-.13); SAS 2, par. 39 as amended by SAS 43, par. 6 (AU 509.39)]

— — —

c. A question has arisen about the ability of the governmental unit to meet its debts as they come due?

[ASLGU, Ch. 18, par. 36]

— — —

d. As a result of the criteria established by GASB Cod. Sec. 2100, many governmental units' financial reports have been

Yes No N/A

expanded to include component units that were previously reported separately. Where the financial statements of those units are unaudited, has the auditor's opinion on the general purpose financial statements been qualified or disclaimed, depending on the materiality of the unaudited component unit to the governmental unit's financial statements?
[ASLGU, Ch.18, par.37]

8. If the auditor is engaged to examine the combining and individual fund and account group financial statements in addition to a GPFS or CUFS, does the auditor's opinion address each presentation as a primary statement? If supporting schedules accompany those financial statements, does the auditor's opinion state whether the information in those schedules is presented fairly in conformity with GAAP in all material respects in relation to the financial statements of each of the individual funds and account groups taken as a whole or disclaim an opinion on such information?
[ASLGU, Ch. 18, par. 31 (See Appendix A, example 3)]

9. Has a qualified opinion or adverse opinion been expressed if the following circumstances are present?

a. Lack of conformity with generally accepted accounting principles (including inadequate disclosure)?
[SAS 2, pars. 15-19 (AU 509.15-.19); SAS 17, par. 15 (AU 328.15); SAS 32, par. 3, (AU 431.03); SAS 34, par. 11 (AU 340.11)]

b. Departure from consistent application of accounting principles?
[SAS 1, sec. 546 (AU 546)]

c. The reporting entity has included some, but not all, component units in the reporting entity financial statements?
[ASLGU, Ch. 18, par. 33]

d. If financial statements for funds, fund types or account groups that should be included in the GPFS or CUFS (such as

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
the general fixed assets account group or an enterprise fund) are omitted, has the auditor expressed a qualified or an adverse opinion because of a GAAP departure? (ASLGU, Ch. 18, par. 34)	---	---	---
(1) Does the qualified or adverse auditor's report include an explanatory paragraph that describes the omitted fund or account group?	---	---	---
(2) Does the explanatory paragraph disclose the effects on the financial statements, if reasonably determinable? [ASLGU, Ch. 18, par. 34 (See Appendix A, examples 6 and 7)]	---	---	---
10. Where the circumstances are such that an oversight unit issues its separate component unit financial statements that exclude all other component units considered a part of the reporting entity, are the limitations of the financial statements clearly disclosed so as to prevent the misinterpretation that these are the complete financial statements of the reporting entity? (ASLGU, Ch. 18, par. 32)	---	---	---
11. If the auditor has been engaged to examine financial statements of only a specified fund or group of funds that are not intended to present fairly financial position, results of operations, or changes in financial position of either the reporting entity or component unit in conformity with GAAP, does the auditor's report include a middle paragraph calling attention to the fact that the financial statements are not intended to present financial position and results of operations of the reporting entity or component unit? [ASLGU, Ch. 18, par. 35]	---	---	---
12. For Special Reports, have the provisions of SAS Nos. 14 and 35 been complied with regarding:			
a. Statements prepared in accordance with a comprehensive basis of accounting other than generally accepted accounting principles? [SAS No. 14, pars. 2-8 (AU 621.02-.08)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. Specified elements, accounts or items of a financial statement? [SAS No. 14, pars. 9-14 (AU 621.09-.14); SAS No. 35 (AU 622)]	---	---	---
c. Compliance with aspects of agreements or regulatory requirements relating to audited financial statements? [SAS No. 14, pars. 18-19 (AU 621.18-.19)]	---	---	---
d. Financial information that requires a prescribed form of auditor's report? [SAS No. 14, pars. 20-21 (AU 621.20-.21)]	---	---	---
13. If the independent auditor was engaged to examine financial statements presented in conformity with neither GAAP nor any other comprehensive basis of accounting, has the standard form of report been used and modified because of the departure from GAAP? [ASLGU, Ch. 18, par. 40]	---	---	---
14. Where local or state governmental regulations require that larger CPA firms employ minority or smaller firms or both to participate in the examination, is the report on the examination signed by the individual or firm that has complied with GAAS and is in a position to justify being the only signatory of the report? [ASLGU, Ch. 18, par. 41; SAS 1, sec. 543 par. 4 (AU 543.04)]	---	---	---
15. If a qualified opinion, adverse opinion or disclaimer of opinion is expressed:			
a. Are all the substantive reasons for the opinion or disclaimer disclosed? [SAS 2, pars. 32, 42 and 45 (AU 509.32, 509.42 and 509.45)]	---	---	---
b. Is the reporting language clear and appropriate for the -			
(1) Qualified opinion? [SAS 2, pars. 29-40 as amended by SAS 43, par. 6 (AU 509.29-.40)]	---	---	---
(2) Adverse opinion? [SAS 2, pars. 41-44 (AU 509.41-.44)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(3) Disclaimer of opinion? [SAS 2, pars. 45-47 (AU 509.45-.47)]	—	—	—
16. Does the report include modification, if applicable, for the following:			
a. Conditions that precluded application of necessary auditing procedures to opening inventories and/or long-term investments? [SAS 1, sec. 542.05-.06 (AU 542.05-.06)]	—	—	—
b. Inadequate disclosure? [SAS 1, sec. 545 (AU 545)]	—	—	—
c. First examination - inadequate financial records or client-imposed limitations? [SAS 1, sec. 546.15-.16 (AU 546.15-.16)]	—	—	—
d. Client representations about related party transactions? [SAS 45, par. 2 (AU 334.12)]	—	—	—
e. Client's refusal to provide written representation? [SAS 19, par. 11 (AU 333.11)]	—	—	—
f. Limitations on scope of lawyer's response? [SAS 12, pars. 12-14 (AU 337.12-.14)]	—	—	—
g. Unresolved matters involving specialists? [SAS 11, par. 9 (AU 336.09)]	—	—	—
h. Scope limitation concerning errors or irregularities? [SAS 16, par. 14 (AU 327.14)]	—	—	—
i. Illegal acts by clients? [SAS 17 (AU 328)]	—	—	—
j. Entity's continued existence? [SAS 34, pars. 11-13 (AU 340.11-.13)]	—	—	—
k. Material misstatement of the financial statements? [SAS 47, par. 31 (AU 312.31)]	—	—	—
l. Financial statements issued before the effective date of a Statement of Governmental Accounting and Financial Reporting			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
Standards (GAFRS) or Statement of Financial Accounting Standards (SFAS) when disclosure is not made of the effect of a restatement which will be required in the future as a result of the GASB or FASB Statement? [Interpretation 3 of SAS 1, section 410.13-15 (AU 9410.13-.15)]	—	—	—
17. Has a piecemeal opinion been avoided? [SAS 2, par. 48 (AU 509.48); SAS 14, par. 12 (AU 621.12)]	—	—	—
18. If the auditor is reporting on financial statements prepared on a comprehensive basis of accounting other than generally accepted accounting principles, has the auditor considered whether the financial statements (including the accompanying notes) include all informative disclosures that are appropriate for the basis of accounting used? [Interpretation 8 of SAS 14, section 621 (AU 9621.34-.39)]	—	—	—
19. If an audit was required by the Single Audit Act, does the auditor's report(s) include references to the GAO's Standards for Audit (1981 Revision), where required, and contain the following:			
(a) The auditor's report on an examination of the entity as a whole, or the department, agency, or establishment covered by the audit? [ASLGU, Ch. 17, par. 28 and Ch. 23, par. 1]	—	—	—
(b) The auditor's report on a supplementary schedule of the entity's Federal financial assistance programs, showing total expenditures for each federal assistance program? [ASLGU, Ch. 17, par. 29 and Ch. 23, par. 1]	—	—	—
(c) The auditor's report on internal control (accounting and administrative) identifying:			
(i) The entity's significant internal accounting controls and those controls designed to provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations? [ASLGU, Ch. 21, par. 9]	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(ii) The controls that were evaluated? (Note: Controls over major federal programs must be studied and evaluated, no exceptions permitted.)	—	—	—
(iii) The controls that were not evaluated?	—	—	—
(iv) The material weaknesses identified as a result of the evaluation?	—	—	—
(v) If applicable, the reasons why no study of internal controls was made? [ASLGU, Appendix E, OMB Circular No. A-128 item 13a(2)]	—	—	—
(d) The auditor's report on compliance including:			
(i) <u>For major Federal financial assistance programs:</u>			
An opinion that the entity administered each of its major Federal financial assistance programs in compliance, in all material respects, with laws and regulations pertaining to financial reports and claims for advances and reimbursements? [ASLGU, Ch. 21, par. 19]	—	—	—
(ii) <u>For nonmajor Federal financial assistance programs:</u>			
A statement of positive assurance with respect to those items tested for compliance, including compliance with laws and regulations pertaining to financial reports and claims for advances and reimbursements?	—	—	—
Negative assurance on those items not tested? [ASLGU, Ch. 21, par. 19]	—	—	—
(iii) <u>For all programs:</u>			
A summary of all instances of noncompliance?	—	—	—
An identification of total amounts questioned, if any, for each Federal financial assistance award, as a result of noncompliance? [ASLGU, Ch. 21, par. 19]	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(e) When appropriate, did the auditor issue a separate report on fraud, abuse, or illegal acts, or indications of such acts? [ASLGU, Ch. 23, par. 1]	---	---	---
(f) If additional information, including statistical data, accompanies the general purpose or component unit financial statements, does the auditor indicate in his report the degree of responsibility, if any, he is taking? [SAS 29, par. 5 (AU 551.05)]	---	---	---
(g) If required by contractual obligations, were findings presented in accordance with the guidance in the GAO's Standards for Audit (1981 Revision) regarding reporting on economy and efficiency audits and program results audits? [GAGAS, Ch. II, pp. 9-11, and 48-56]	---	---	---

Financial Section - Financial Statements

.01 These checklists have been developed by the staff of the Technical Information division of the AICPA as a nonauthoritative practice aid. Accordingly, the notice on page 1 is incorporated herein by reference.

.02 Explanation of references:

- TPA = Technical Practice Aids
- ARB = Accounting Research Bulletin
- APB = Accounting Principles Board Opinion
- SFAS = Statement of Financial Accounting Standards
- SAS = Statement on Auditing Standards
- FASBI = Financial Accounting Standards Board Interpretation
- TB = Technical Bulletin issued by the staff of the FASB¹
- (AC) = Reference to section number in FASB Accounting Standards Current Text
- (AU) = Reference to section number in AICPA Professional Standards (vol. 1) of SAS cited
- OMB = Office of Management and Budget Circular No. A-110
- GPFS = General Purpose Financial Statements
- CAFR = Comprehensive Annual Financial Report
- ASLGU = Audits of State and Local Governmental Units, AICPA, 1986
- GASB = Governmental Accounting Standards Board Statement
- GASBI = Governmental Accounting Standards Board Interpretations

.03 This checklist is organized into the following classifications:

General

- A. Titles and Memoranda
- B. Significant Accounting Policies
- C. Accounting Changes
- D. Comparative Financial Statements
- E. Nonmonetary Transactions
- F. Contingencies and Commitments
- G. Subsequent Events

¹The FASB staff issues FASB Technical Bulletins to provide guidance concerning the application of FASB Statements or Interpretations, APB Opinions, or Accounting Research Bulletins. FASB Technical Bulletins do not establish new financial accounting and reporting standards or amend existing standards.

- H. Related Party Transactions
- I. Component Units

Combined Balance Sheet

- A. Titles, References and Content
- B. Cash and Investments
- C. Notes and Accounts Receivable
- D. Inventories
- E. Fixed Assets
- F. Lessors
- G. Other Assets and Deferred Charges
- H. Liabilities
- I. Lessees
- J. Other Liabilities and Deferred Credits
- K. General Long-Term Debt
- L. Fund Balance

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types (and Similar Trust Funds)

- A. General
- B. Property Taxes
- C. Sales Taxes
- D. Income Taxes
- E. Grants, Entitlements or Shared Revenues
- F. Expenditures
- G. Related Party Transactions
- H. Depreciation
- I. Transfers

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Fund Types

- A. General

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types (and Similar Trust Funds)

- A. General
- B. Extraordinary Items
- C. Grants, Entitlements or Shared Revenues
- D. Interest
- E. Transfers
- F. Related Parties
- G. Depreciation
- H. Nonmonetary Transactions
- I. Gains on Sales of Securities

- J. Futures Contracts
- K. Research and Development Costs
- L. Changes in Fund Balances/Retained Earnings
- M. Segment Information

Combined Statement of Changes in Financial Position - All
Proprietary Fund Types (and Similar Trust Funds)

- A. Title
- B. Trust Fund Data
- C. Format and Content
- D. Comparability

Other Disclosures

I. Pension Disclosures

- A. Pension Plans--Separately Issued PERS Reports
- B. Pension Disclosures in Employer Financial Reports
- C. Single Employer PERS Included as a Pension Trust Fund in the Employer Reporting Entity
- D. Multi-Employer PERS Included as a Pension Trust Fund in the Employer Reporting Entity
- E. Employers Contributing to Cost Sharing Multi-Employer PERS
- F. Component Units' Pension Information in the Reporting Entity's Financial Reports
- G. Noncontributing Employers
- H. Unfunded Pension Arrangements
- I. Reporting by Nonemployer Contributors
- J. Defined Contribution Pension Information

II. Deferred Compensation Plans Under Internal Revenue Code Section 457

III. Special Assessments

IV. Investments Accounted for by the Equity Method and Joint Ventures

.03 Checklist Questionnaire

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
GENERAL			
A. Titles and Memoranda			
1. Are all financial statements titled properly? [GASB 1 Sec. 2200.106 (GASB Cod. Sec. 2200.106); SAS 14, par. 7 (AU 621.07)]	---	---	---
2. If totals by account are presented in the General Purpose or Component Unit (Combined) Financial Statements, are totals noted as memoranda only? [GASB 1 Sec. 2200.113 (GASB Cod. Sec. 2200.113); ASLGU, Chap. 18 par. 9]	---	---	---
B. Significant Accounting Policies			
1. Is a summary of significant accounting policies shown separately as a stand-alone summary? [GASB 1 Sec. 2300.108 (GASB Cod. Sec. 2300.108); APB 22, par. 8 (AC A10.102)]	---	---	---
2. If the summary of significant accounting policies is shown separately as a stand-alone summary, has each page of the GPFS been referenced to the summary? [GASB 1 Sec. 2300.108 (GASB Cod. Sec. 2300.108)]	---	---	---
3. Does the summary of significant accounting policies address the following:			
a. Criteria used to determine the scope of the reporting entity? [GASB 1, Sec. 2300.104a (GASB Cod. Sec. 2300.104a); GASB 1, Sec. 2600.115 (GASB Cod. Sec. 2600.115)]	---	---	---
b. Revenue recognition policies? [GASB 1, Sec. 2300.104a (GASB 2300.104a); GASB 1, Sec. 1600.108 (GASB Cod. Sec. 1600.108)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. Method of encumbrance accounting and reporting? [GASB 1, Sec. 2300.104a (GASB Cod. Secs. 2300.104a); GASB 1, Sec. 1700.130 (GASB Cod. Sec. 1700.130)]	—	—	—
d. Policy with regard to reporting infrastructure assets? [GASB 1, Sec. 2300.104a (GASB Cod. Secs. 2300.104a); GASB 1, Sec. 1400.109 (GASB Cod. Sec. 1400.109)]	—	—	—
e. Policy with regard to capitalization of interest costs on fixed assets? [GASB 1, Sec. 2300.104a (GASB Cod. Secs. 2300.104a); GASB 1, Sec. 1400.111 (GASB Cod. Sec. 1400.111)]	—	—	—
f. Description of the specific reasons for excluding any agencies or component units that meet the criteria in NCGA Statement No. 3? [GASB 1, Sec. 2100.121 and 122 (GASB Cod. Secs. 2100.121 and 122)]	—	—	—
g. The extent to which fixed asset costs have been estimated and the methods of estimation? [GASB 1, Sec. 1400.112 (GASB Cod. Sec. 1400.112); GASB 1, Sec. 2300.105n (GASB Cod. Sec. 2300.105n)]	—	—	—
h. The use of the modified accrual basis for governmental fund types? [GASB 1, Sec. 1600.105 (GASB Cod. Sec. 1600.105)]	—	—	—
i. Nature and amount of inconsistencies in financial statements caused by transactions between component units having different fiscal year-ends? [GASB 1, Sec. 2300.105s (GASB Cod. Sec. 2300.105s); GASB 1, Sec. 2600.113 (GASB Cod. Sec. 2600.113)]	—	—	—
j. Have changes in the fiscal year-ends of component units included in the reporting entity been disclosed? [GASB 1, Sec. 2600.114 (GASB Cod. Sec. 2600.114)]	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
C. Accounting Changes			
1. For an accounting change does disclosure in the period of the change include:			
a. Nature of the change?	---	---	---
b. Justification for the change and a clear explanation of the newly adopted principle and why it is preferable?	---	---	---
c. Effect on excess of revenues over expenses/expenditures, as appropriate? [APB 20, par. 17 (AC A06.113)]	---	---	---
2. Have the applicable AICPA Statements of Position and Guides listed in Appendix A to SFAS 83 (AC section A06 Exhibit 112A) been considered in justification of a change in accounting principle? [SFAS 32, par. 11 (AC A06.112); APB 20, par. 16 (AC A06.112)]	---	---	---
3. If appropriate, is the cumulative effect of an accounting change shown separately between the captions "extraordinary items" and "net income"? [APB 20, pars. 18-26 (AC A06.114-.122 and E09.104)]	---	---	---
4. Are the effects of changes in accounting estimate disclosed if they are material? [APB 20, pars. 31-33 (AC A06.130.-.132)]	---	---	---
5. If a change in reporting entity has occurred, have the financial statements and disclosures been made in accordance with APB 20, pars. 34 and 35? [APB 20, pars. 34 and 35 (AC A35.112-.113)]	---	---	---
6. Is the nature of an error in previously issued financial statements and the effect of its correction on the excess of revenues over (under) expenditures before extraordinary items, and net income disclosed in the period in which the error was discovered and corrected? [APB 20, par. 37 (AC A35.105)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
7. For prior period adjustments:			
a. Is the resulting effects on the net income of prior periods disclosed in the financial statement for the year in which the adjustments are made?	_____	_____	_____
b. For single period statements does the disclosure indicate the effects of such restatement on the balance of fund balance/retained earnings at the beginning of the period and on the excess of revenues over (under) expenditures of the immediately preceding period?	_____	_____	_____
c. If financial statements for more than one period are presented does the disclosure include the effects for each of the periods included in the statements? [APB 9, par. 26 (AC A35.107)]	_____	_____	_____
8. If the prior period adjustments pertain to years presented in a comparative operating statement as for example, historical summaries of financial data, have they been reflected therein with appropriate disclosure? [APB 9, par.27 (AC A35.108)]	_____	_____	_____
9. For interim financial reports regarding an adjustment related to prior interim periods of the current fiscal year, was the following disclosed:			
a. The effect on excess (deficiency) from continuing operations and excess (deficiency) for each prior interim period of the current fiscal year, and	_____	_____	_____
b. excess (deficiency) from continuing operations and excess (deficiency) for each prior interim period restated. [SFAS 16, par. 15 (AC A35.111)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
D. Comparative Financial Statements			
1. Have comparative statements been considered? [ARB 43, Ch. 2A, pars. 1-2 (AC F43.101-.102)]	—	—	—
2. Are the notes and other disclosures included in the financial statements of the preceding year(s) presented, repeated or at least referred to, to the extent that they continue to be of significance? [ARB 43, Ch. 2A, par. 2 (AC F43.102)]	—	—	—
3. If changes have occurred in the manner of or basis for presenting corresponding items for two or more periods, are appropriate explanations of the changes disclosed? [ARB 43, Ch. 2A, par. 2 (AC F43.102)]	—	—	—
E. Nonmonetary Transactions			
1. Do disclosures for nonmonetary transactions during the period include:			
a. Nature of the transactions?	—	—	—
b. Basis of accounting for the assets transferred?	—	—	—
c. Gains or losses recognized on the transfers? [APB 29, par. 28 (AC C11.102 and N35.120); FASBI 30 (AC N35.114-.119)]	—	—	—
2. Are nonmonetary assets recorded in the fund to which they relate at estimated fair value? [GASB 1, Sec. 1400.113 (GASB Cod. Sec. 1400.113)]	—	—	—
3. If nonmonetary assets are donated to a governmental unit for use in general government activities, have they been recorded in the General Fixed Assets Account Group? [GASB 1, Sec. 1400.113 (GASB Cod. Sec. 1400.113)]	—	—	—

Yes No N/A

4. If the donation of nonmonetary assets reduces the government's current or future expenditure requirements, has the governmental unit elected to report the donation in the appropriate fund as an "other financing use" and an "other financing source" of resources? [ASLGU, Ch. 9, par. 21]

— — —

F. Contingencies and Commitments

1. Is disclosure made in governmental funds on the face of the financial statements or in the notes of the nature and amount of accrued loss contingencies necessary to keep the financial statements from being misleading showing the total claims and judgments determined for the year under FASB 5 "Accounting for Contingencies" less (plus) the amount recorded as long-term obligations in the General Long-Term Debt Account Group?

[SFAS 5, par. 9 (AC C59.108); FASBI 14, pars. 3-7 (AC C59.124-.127); GASB 1, Sec. 1500.110 (GASB Cod. Sec. 1500.110); GASB 1, Sec. C50.112 (GASB Cod. Sec. C50.112)]

— — —

2. Where a loss pertains to proprietary funds, have the criteria of FASB 5 been followed without modification in making disclosures?

[GASB 1, Sec. C50.115 (GASB Cod. Sec. C50.115)]

— — —

3. For loss contingencies not accrued, do disclosures indicate:

a. Nature of contingency?

— — —

b. Estimate of possible loss or range of loss, or a statement that such estimate cannot be made?

[SFAS 5, par. 10 (AC C59.109 and C59.111); GASB 1, Sec. 1500.110 (GASB Cod. Sec. 1500.110)]

— — —

4. Are guarantees of the entity, even if the possibility of default is remote, disclosed in the financial statements? [ASL GU Ch. 11 par. 28] _____
5. If the entity is assuming a moral obligation, is this disclosed in the financial statements? [ASL GU Ch. 11 par. 28] _____
6. With respect to no-commitment debt, is its existence disclosed in the financial statements? [ASGLU Ch. 11 par. 28] _____
7. For unconditional purchase obligations not recorded on the purchaser's balance sheet, is the following disclosed:
- a. The nature and term of the obligation(s)? _____
- b. The amount of the fixed and determinable portion of the obligation(s) as of the date of the latest balance sheet presented in the aggregate and, if determinable, for each of the five succeeding fiscal years? _____
- c. The nature of any variable components of the obligation? _____
- d. The amounts purchased under the obligation(s) (for example, the take-or-pay or throughput contract) for each period for which a Statement of Revenue and Expenditures is presented? [SFAS 47, par. 7 (AC C32.102)] _____
8. Is disclosure made of conditions that raise a question about an entity's ability to continue in existence and viable plans to overcome these difficulties? [SAS 34, par. 10 (AU 340.10); ASL GU, Ch. 18 par. 18] _____
9. Encumbrances:
Where appropriations lapse at year-end, even if encumbered, and the

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<p>governmental unit intends to honor them, do the notes to financial statements disclose the outstanding encumbrances at year-end or is disclosure effected by reserving a portion of the fund balance? [GASB 1, Sec. 1700.129d (GASB Cod. Sec. 1700.129d)]</p>	—	—	—
<p>10. If a governmental unit is prohibited by law from budgeting or appropriating property taxes recognized as revenue pursuant to GASB 1, Sec. P70.104, was disclosure made by a reservation of fund balance, and was this explained in the notes to financial statements? [GASB 1, Sec. P70.104 (GASB Cod. Sec. P70.104)]</p>	—	—	—
<p>11. Where payments have been made to an internal service self-insurance fund to pay claims and judgments of governmental funds, and the claims were based on actuarially determined liabilities, have these transfers been classified as operating transfers and not as an expenditure of the insured fund? [GASB 1, Sec. C50.117 (GASB Cod. Sec. C50.117)]</p>	—	—	—
<p>12. Have any amounts that were transferred which were in excess of the amount of the actuarially determined amount been classified as residual equity transfers? [GASB 1, Sec. C50.117 (GASB Cod. Sec. C50.117)]</p>	—	—	—
<p>13. Are the nature and amount of guarantees disclosed (for example, guarantee of indebtedness of others, obligations of banks under standby letters of credit)? [SFAS 5, par. 12 (AC C59.113); FASBI 34, pars. 2-3 (AC C59.114)]</p>	—	—	—
<p>14. Are gain contingencies adequately disclosed with care to avoid any mis-</p>			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
leading implications about likelihood of realization? [SFAS 5, par. 17 (AC C59.118)]	—	—	—
15. Has disclosure been made of unused letters of credit, assets pledged as security for loans, working capital commitments, and dividend restructuring? [SFAS 5, pars. 18-19 (AC C59.120)]	—	—	—
16. Are disclosures made of any material violations of legal and contractual provisions? [GASB 1, Sec. 2300.104h (GASB Cod. Sec. 2300.104h)]	—	—	—
 G. Subsequent Events			
1. Are the financial statements adjusted for any changes in estimates resulting from subsequent events that provided additional evidence with respect to conditions that existed at the date of the balance sheet? [SFAS 5, par. 8 (AC C59.105); SAS 1, Secs. 560.03-.04, 560.07 and 561.01-.09 (AU 560.03-.04, 560.07 and 561.01-.09)]	—	—	—
2. Are subsequent events that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose subsequent to that date adequately disclosed to keep the financial statements from being misleading? [SFAS 5, par. 11 (AC C59.112); APB 16, par. 61 (AC B50.120); SAS 1, Secs. 560.05-.07, 560.09 and 561.01-.09 (AU 560.05-.07, 560.09 and 561-.01-.09); GASB 1, Secs. 1500.110 and GASB 6 par. 13 (GASB Cod. Sec. 1500.110); GASB 1, Sec. 2300.104d (GASB Cod. Sec. 2300.104d)]	—	—	—
 H. Related Party Transactions			
1. Do lease arrangements exist between state and local governments and public authorities? [GASB 1, Secs. L20.123 and 2300.150f]	—	—	—

Yes No N/A

and g (GASB Cod. Secs. L20.123 and 2300.105f and g)]

2. Have the nature and extent of leasing transactions with related parties been disclosed?
[GASB 1, Sec. L20.123 (GASB Cod. Sec. L20.123); (SFAS 13, par. 29 (AC L10.125)]
3. Are the following disclosures made of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business:
- a. The nature of the relationship(s) involved?
 - b. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which a Statement of Revenue and Expenditures is presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements?
 - c. The dollar amount of transactions for each of the periods for which Statements of Revenue and Expenditures are presented and the effects of any change in the method of establishing the terms from that used in the preceding period?
 - d. Amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement?
[SFAS 57, pars. 2-4 (AC R36.102-.104) SAS 45, pars. 11 (AU 334.11-12)]

I. Component Units

1. If a component unit has adopted accounting principles that are not in

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<p>conformity with governmental accounting and reporting standards but those principles are considered to be generally accepted and where the inclusion of the component unit would distort a fund type of the reporting entity, is the component unit presented in a separate column on the financial statements of the reporting entity as a discrete presentation? [GASB 1, Sec. 2600.109 (GASB Cod. Sec. 2600.109)]</p>	---	---	---
<p>2. If the answer to I.1 is yes, do the accompanying notes to the financial statements clearly disclose the accounting policies of the component unit and the relationship of the component unit to the oversight unit? [GASB 1, Sec. 2600.109 (GASB Cod. Sec. 2600.109)]</p>	---	---	---
<p>3. Do the notes to the reporting entity's financial statements disclose the component units that have been combined to form the reporting entity and the key decision criteria that were considered? [GASB 1, Sec. 2600.116 (GASB Cod. Sec. 2600.116)]</p>	---	---	---
<p>4. Has financial information concerning each component unit, as well as the oversight unit, been provided in the notes to insure that the general purpose financial statements communicate the information that is necessary for fair presentation and is not readily apparent from, or cannot be included in, the statements themselves? [GASB 1, Sec. 2600.116 (GASB Cod. Sec. 2600.116)]</p>	---	---	---
<p>5. Where separate component unit financial statements are issued, was disclosure made to clearly indicate that the component unit is an integral part of the reporting entity? [GASB 1, Sec. 2600.119 (GASB Cod. Sec. 2600.119)]</p>	---	---	---

Yes No N/A

COMBINED BALANCE SHEET

A. Titles, References and Content

- | | | | |
|--|-----|-----|-----|
| 1. Is a combined balance sheet presented for all fund types and account groups?
[GASB 1, Sec. 2200.108 (GASB Cod. Sec. 2200.108)] | ___ | ___ | ___ |
| 2. Does the combined balance sheet have separate columns for each fund type and account group?
[GASB 1, Sec. 2200.108 (GASB Cod. Sec. 2200.108)] | ___ | ___ | ___ |
| 3. Are the separate columns for each fund and/or account group properly captioned?
[GASB 1, Sec. 2200.108 (GASB Cod. Sec. 2200.108)] | ___ | ___ | ___ |
| 4. Are long-term debt and fixed assets only reported in account groups, fiduciary or proprietary fund types?
[GASB 1, Sec. 1400.102-.106 (GASB Cod. Sec. 1400.102-.106); GASB 1, Sec. 1500.102-.103 (GASB Cod. Sec. 1500.102-.103)] | ___ | ___ | ___ |

B. Cash and Investments

- | | | | |
|--|-----|-----|-----|
| 1. Are cash and investments segregated into individual funds?
[ASLGU, Ch. 7, par. 7] | ___ | ___ | ___ |
| 2. If cash and investments are restricted to comply with legal or contractual requirements, are these amounts segregated?
[ARB 43, Chap. 3A, par. 6 (AC B05.107); ASLGU, Ch. 7, par. 7] | ___ | ___ | ___ |
| 3. Are restrictions on cash and investments appropriately disclosed?
[SFAS 5, pars. 18-19 (AC C59.120)] | ___ | ___ | ___ |
| 4. Pooled Accounts | | | |
| a. If cash and investments are maintained in pooled accounts and a particular fund overdraws its | | | |

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
share, is the overdraft reported as an interfund payable or receivable? [ASLGU, Chap. 7, par. 8]	—	—	—
b. Is disclosure made of the method used to allocate income from investment or pooled cash? [ASLGU, Chap. 7, par. 9]	—	—	—
5. Was the need to record losses due to a permanent decline in value considered? [ASLGU, Chap. 7, par. 9]	—	—	—
6. Are material dollar amounts of held checks (checks on the bank reconciliation but not released until after the balance sheet date) reclassified as accounts payable? [TPA, Vol. 1, Sec. 2110.02]	—	—	—
7. Cost and Market Value			
a. As of the date of each balance sheet presented, with respect to marketable securities owned, was disclosure made of the aggregate cost and market value (each segregated between current and noncurrent portfolios when a classified balance sheet is presented) with identification as to which is the carrying amount? [SFAS 12, par. 12 (I89.106)]	—	—	—
b. Were the following disclosed as of the date of the latest balance sheet presented, segregated between current and noncurrent portfolios when a classified balance sheet is presented:			
(1) Gross unrealized gains representing the excess of market value over cost for all marketable equity securities in the portfolio having such an excess?	—	—	—

(2) Gross unrealized losses representing the excess of cost over market value for all marketable equity securities in the portfolio having such an excess?
[SFAS 12, par. 12 (AC I89.106b)]

c. For each period for which an operating statement is presented, were the following disclosures made:

(1) Net realized gain or loss included in the determination of net income?

(2) The basis on which cost was determined in computing realized gain or loss (that is, average cost or other method used)?

(3) The change in the valuation allowance(s) that has been included in the equity section of the balance sheet during the period and, when a classified balance sheet is presented, the amount of such change included in the determination of net income?

[SFAS 12, par. 12 (AC I89.106c)]

d. Where marketable securities are included in noncurrent assets in a classified balance sheet, is the valuation allowance shown separately?

[SFAS 12, par. 11 (AC I89.105)]

e. Where marketable securities are included in an unclassified balance sheet for proprietary fund types, is the valuation allowance shown separately?

[SFAS 12, par. 11 (AC I89.105)]

8. For Investments Including Repurchase Agreements

a. Has disclosure been made in the notes to financial statements of

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
the types of investments authorized by legal or contractual provisions? [GASB 3, par. 65 (GASB Cod. Sec. I50.161)]	---	---	---
b. Is disclosure made of significant violations during the period of legal and/or contractual provisions for deposits and investments? [GASB 3, par. 66 (GASB Cod. Sec. I50.162)]	---	---	---
c. If bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by the entity or by its agent in the entity's name, has this been disclosed? [GASB 3, par. 67 (GASB Cod. Sec. I50.163)]	---	---	---
d. If the disclosure called for by paragraph 9c above was not made, has the following information been disclosed?			
(1) Carrying amounts of total deposits, if not separately displayed on the balance sheet?	---	---	---
(2) The total bank balance classified in these three categories of credit risk:			
(a) Insured or collateralized with securities held by the entity or by its agent in the entity's name.	---	---	---
(b) Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.	---	---	---
(c) Uncollateralized. (This includes any bank balance			

Yes No N/A

that is collateralized
with securities held by
the pledging financial in-
stitution or by its trust
department or agent but
not in the entity's name)
[GASB 3, par. 67 (GASB Cod.
Sec. I50.163)]

e. Are the carrying amount and market
value of investments (including
repurchase agreements) as of the
balance sheet date disclosed in
total and for each type of invest-
ment?

f. Is the disclosure of the carrying
amounts of investments broken down
into the following three categories
of credit risk:

(1) Insured or registered or
securities held by the entity
or its agent in the entity's
name

(2) Uninsured and unregistered,
with securities held by the
counterparty's trust depart-
ment or agent in the entity's
name

(3) Uninsured and unregistered,
with securities held by the
counterparty, or by its trust
department or agent but not in
the entity's name

[GASB 3, par. 68, (GASB Cod. Sec.
I50.164)]

g. If unrealized investment losses in
one or more component units or
funds may not be apparent because
of unrealized investment gains in
the remaining funds, are the
carrying amounts and market value
of that unit or fund's total
investments disclosed?

[GASB 3, par. 71 (GASB Cod. Sec.
I50.167)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<p>h. If there are outstanding commitments as of the balance sheet date to resell securities under yield maintenance repurchase agreements, have the market value and carrying amount as of the balance sheet date as well as a description of the terms of the agreement been disclosed? [GASB 3, par. 72, (GASB Cod. Sec. I50.168)]</p>	---	---	---
<p>i. If uncollateralized deposits or uninsured, unregistered securities held by the counterparty, or by the trust department or agent not in the entity's name significantly exceed the amounts in those categories as of the balance sheet date, is that fact disclosed? [GASB 3, par. 73 (GASB Cod. Sec. I50.169)]</p>	---	---	---
<p>j. Does the entity disclose the types of investments made during the period but not owned as of the balance sheet date? [GASB 3, par. 74 (GASB Cod. Sec. I50.170)]</p>	---	---	---
<p>k. Does the entity disclose losses recognized during the period resulting from default by counterparties to deposit or investment transactions and amounts recovered from prior-period losses if these are not shown separately on the operating statements? [GASB 3, par. 75 (GASB Cod. Sec. I50.171)]</p>	---	---	---
<p>l. In connection with reverse repurchase agreements indicate if the following is disclosed:</p> <p>(1) For reverse repurchase agreements, other than yield maintenance agreements, which are outstanding as of the balance sheet date, has the</p>			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
credit risk related to the agreements been disclosed? [GASB 3, par. 78 (GASB Cod. Sec. R10.110)]	---	---	---
(2) Was disclosure made for commitments as of the balance sheet date to repurchase securities under yield maintenance agreements, including the market value as of the balance sheet date of the securities to be repurchased and a description of the terms of the agreements? [GASB 3, par. 79 (GASB Cod. Sec. R10.111)]	---	---	---
(3) Is disclosure made for losses recognized during the period due to default by counterparties to reverse repurchase agreements and amounts recovered from prior-period losses if not shown separately on the operating statement? [GASB 3, par. 80 (GASB Cod. Sec. R10.112)]	---	---	---

C. Notes and Accounts Receivable

1. Are notes or accounts receivable due from affiliated enterprises disclosed separately? [ARB 43, Ch. 1A, par. 5 (AC R36.105)]	---	---	---
2. If a note is noninterest bearing or has an inappropriate stated interest rate:			
a. Is the discount or premium presented as a deduction from or addition to the face amount of the note? [APB 21, par. 16 (AC I69.109)]	---	---	---
b. Does the disclosure include the effective interest rate and face amount of the note? [APB 21, par. 16 (AC I69.109)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. Is amortization of discount or premium reported as interest expense in the income statement? [APB 21, par. 16 (AC I69.109)]	---	---	---
3. Have related receivables and payables between what were previously separately reported governmental units, which are now included as component units of a reporting entity, been reclassified as amounts due to and due from other funds? [GASB 1, Sec. 2600.112 (GASB Cod. Sec. 2600.112)]	---	---	---
4. If transactions between component units having different fiscal years result in inconsistencies in amounts reported as due to/due from, transfer to/transfer from etc., is the nature and amounts of such transactions disclosed in the notes to the financial statements? [GASB 1, Sec. 2600.114 (GASB Cod. Sec. 2600.114)]	---	---	---
5. Are the amounts due to one fund from other funds, as well as the amounts owed to other funds, reflected in the fund accounts and in fund financial statements? Or, are amounts being offset? [GASB 1, Sec. 1300.110 (GASB Cod. Sec. 1300.110)]	---	---	---
6. Do the financial statements disclose the amount of interfund receivables and payables by fund? [ASLGU, Ch. 8, par. 21]	---	---	---
7. Are property tax assessments recognized in the period levied provided the "available" criteria are met (then due, past due and receivable within the current period and collected within the current period or within 60 days thereafter)? [GASB 1, Sec. P70. 103 (GASB Cod. Sec. P70.103)]	---	---	---

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 8. Are property taxes receivable expected to be collected within 60 days following the current period?
[GASB 1, Sec. P70.103 (GASB Cod. Sec. P70.103); ASL GU, Ch. 8, par. 11] | --- | --- | --- |
| 9. Where the facts justify a period exceeding 60 days, has the governmental unit disclosed the period used and the justification for the recording practice used?
[GASB 1, Sec. P70.103 (GASB Cod. Sec. P70.103); ASL GU, Ch. 8, par. 11] | --- | --- | --- |
| 10. Are allowances for uncollectible receivables shown as deductions from the related receivables?
[APB 12, par. 3 (AC V18.102)] | --- | --- | --- |

D. Inventories

- | | | | |
|--|-----|-----|-----|
| 1. Have significant amounts of inventory been reported on the balance sheet?
[GASB 1, Sec. 1600.122 (GASB Cod. Sec. 1600.122)] | --- | --- | --- |
| 2. Has the basis for stating inventories been disclosed, including the method of determining cost?
[ARB 43, Ch. 3A, par. 9 and Ch. 4, par. 15; (AC 178.120)] | --- | --- | --- |
| 3. If substantial and unusual losses result from write-down to market values, have these been disclosed separately from other expenditures/expenses, e.g., cost of goods sold in the operating statement?
[ARB 43, Ch. 4, par. 14 (AC I78.117)] | --- | --- | --- |

E. Fixed Assets

- | | | | |
|---|-----|-----|-----|
| 1. Are general fixed assets, other than those accounted for in the proprietary funds, trust or agency funds, accounted for in the General Fixed Asset Account Group rather than in the governmental funds?
[GASB 1, Sec. 1400.106 (GASB Cod. Sec. 1400.106)] | --- | --- | --- |
|---|-----|-----|-----|

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
2. In connection with assets capitalized in the General Fixed Asset Account Group, were the following disclosures generally incorporated in the financial statements or the notes:			
a. Details of general fixed assets, such as land, buildings, and equipment?	—	—	—
b. The basis for carrying assets in the General Fixed Asset Account Group, for example, cost or estimated cost?	—	—	—
c. Whether infrastructure assets are included or excluded from the General Fixed Assets Account Group?	—	—	—
d. Whether depreciation is recorded in the General Fixed Assets Account Group and, if so, the depreciable lives and methods of computation?	—	—	—
e. A reconciliation of changes in the General Fixed Assets Account Group during the year?	—	—	—
f. Capitalization of interest during construction? (FASB Statement Nos. 34 and 62)	—	—	—
g. Commitments under long-term construction projects?	—	—	—
h. The status of capital grants?	—	—	—
i. Pertinent data regarding capital and operating leases? [ASLGU, Ch. 9, par. 22]	—	—	—
3. Regarding fixed assets, other than those pertaining to the proprietary funds or trust funds, have the following disclosures been made:			
a. A breakdown of fixed assets by major classes? [APB 12, par. 5 (AC D40.105b)]	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. Changes in fixed assets by the various classes? [GASB 1, Sec. 2200.106b(4)(a) (GASB Cod. Sec. 2200.106b(4)(a)]	---	---	---
c. The basis of donated fixed assets, which should be estimated fair market value at date of acquisition? [GASB 1, Sec. 1400.113 (GASB Cod. Sec. 1400.113)]	---	---	---
d. If recording accumulated depreciation in the General Fixed Assets Account Group was elected, was the accumulated depreciation account(s) increased and investment in general fixed assets account(s) decreased? [GASB 1, Sec. 1400.118 (GASB Cod. Sec. 1400.118)]	---	---	---
e. A general description of the method or methods used in computing depreciation in the GFAAG with respect to major classes of depreciable assets? [APB 12, par. 5 (AC D40.105d)]	---	---	---
4. Regarding proprietary funds, has depreciation expense been disclosed for the period? [APB 12, par. 5a (AC D40.105); GASB 1, Sec. 1400.115 (GASB Cod. Sec. 1400.115)]	---	---	---
5. If interest has been incurred during the construction period of certain assets:			
a. Has the accounting policy for capitalization of interest cost been disclosed?	---	---	---
b. Has this policy been consistently applied? [GASB 1, Sec. 1400.111 (GASB Cod. Sec. 1400.111)]	---	---	---

6. Reporting public domain or infrastructure "fixed assets--roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the governmental unit--is optional." Has the accounting policy regarding those assets been consistently applied?
 [GASB 1, Sec. 1400.109 (GASB Cod. Sec. 1400.109)]

7. Has the accounting policy for infrastructure fixed assets been disclosed in the notes to financial statements?
 [GASB 1, Secs. 1400.109 and 2300(a)(4) (GASB Cod. Secs. 1400.109 and 2300.104(a)(4))]

F. Lessors

1. For sales-type and direct financing leases do disclosures include:

a. Appropriate components of the net investment in the leases as of the date of each balance sheet presented?

b. Future minimum lease payments to be received for each of the five succeeding fiscal years as of the date of the latest balance sheet presented?

c. Total contingent rentals included in operations for each period for which a Statement of Revenues and Expenditures is presented?

[SFAS 13, par. 23a (AC L10.119a)]

d. For direct financing leases, the amount of initial direct costs as part of the investment?

[SFAS 91, par. 25d (AC L10.119a.1)]

2. For operating leases do disclosures include:

a. Cost and carrying amount of property on lease or held for leasing

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
by major classes and the amount of accumulated depreciation as of the date of the latest balance sheet presented?	---	---	---
b. Minimum future rentals on noncancelable leases as of the date of the latest balance sheet presented in the aggregate and for each of the five succeeding fiscal years?	---	---	---
c. Total contingent rentals included in operations for each period for which a Statement of Revenues and Expenditures is presented? [SFAS 13, par. 23b (AC L10.119b)]	---	---	---
3. Do disclosures include a general description of the lessors leasing arrangements? [SFAS 13, par. 23c (AC L10.119c); for amendments of SFAS 13 see SFASs 22, 23, 26, 27, 28 and 29; for interpretations see FASBIs 19, 21, 23, 24, 26 and 27; for Technical Bulletins see TBS 79-10, 79-11, 79-12, 79-13, 79-14, 79-15, 79-16, 79-17 and 79-18]	---	---	---
4. Are leveraged leases appropriately accounted for and reported? [SFAS 13, pars 41-47 (AC L10.143-.149)]	---	---	---
G. Other Assets and Deferred Charges			
1. Are the costs of intangible assets acquired from other entities recorded as assets? [APB 17, pars. 24-26 (AC I60.105-.107)]	---	---	---
2. Are the costs of developing, maintaining or restoring intangible assets which are not specifically identifiable, have indeterminate lives, or are inherent in a continuing business and related to the entity as a whole, expensed when incurred? [APB 17, par. 24 (AC I60.105)]	---	---	---
3. Regarding proprietary funds, are issue costs of debt reported as deferred charges? [APB 21, par. 16 (AC I69.109)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. Regarding funds other than proprietary funds, are issue costs of debt charged to operations immediately? [GASB 1, Sec. 1600.117 (GASB Cod. Sec. 1600.117)]	---	---	---
5. Are the method and period of amortization for intangible assets disclosed? [APB 17, pars. 30 and 33 (AC I60.111) and APB 22, par. 13, (AC A10.106)]	---	---	---
6. Are the reasons for not amortizing pre-November 1, 1970 intangibles and the amounts thereof disclosed? [APB 17, par. 34 I60.102b)]	---	---	---
7. Has the cash surrender value of life insurance been disclosed? [ARB 43, Ch. 3a, par. 6 (AC B05.107); TB 85-4]	---	---	---

H. Liabilities

1. Do financial statements disclose the nature of any restrictions on assets related to debt? [ASLGU Ch. 11, par. 27]	---	---	---
2. Were the following disclosures made related to debt:			
o The nature of outstanding debt, including significant bond covenants?	---	---	---
o Debt service requirements to maturity?	---	---	---
o Details of capital leases?	---	---	---
o Amounts of authorized but unissued debt?	---	---	---
o Violations of significant bond covenants?	---	---	---
o Nature and amount of guarantees, contingent and moral obligations, and no-commitment debt?	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
o Changes in the amount of long-term obligations?	_____	_____	_____
o The amount of unpaid debt that has been defeased?	_____	_____	_____
o Debt incurred subsequent to the balance sheet date but before the financial statements are issued?	_____	_____	_____
o An existing or anticipated inability to pay debt when due? [ASLGU Ch. 11, par. 27]	_____	_____	_____
3. Do governmental fund balance sheets reflect only the current portion of the liabilities left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources? [GASB 1, Sec. C50.113 (GASB Cod. Sec. C50.113)]	_____	_____	_____
4. Are only current liabilities, commonly referred to as fund or short-term liabilities reported on the governmental fund balance sheet? [ASLGU, Ch. 10, par. 17]	_____	_____	_____
5. Do the financial statements disclose the following:			
a. Basis of accounting for expenditures and liabilities, for example, modified accrual accounting?	_____	_____	_____
b. Method of accounting for outstanding encumbrances at year-end?	_____	_____	_____
c. Disclosure of contingent liabilities? [ASLGU, Ch. 10, par. 18 and Ch. 17, par. 13, and GASB 1 Sec. 2300.104 (GASB Cod. Sec. 2300.104)]	_____	_____	_____
6. Have significant categories been classified and segregated, e.g., accounts payable; accrued costs; notes; customer deposits; interest payable; amounts due to other funds or			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
governments; officers or employees; special termination benefits? [GASB 1, Sec. 1800.114-.120 (GASB Cod. Sec. 1800.114-.120)]	---	---	---
7. Have amounts payable from restricted assets been separately disclosed and properly classified, e.g.,: Construction contracts? Revenue Bonds? Fiscal Agent? Deposits? Accrued interest? [GASB Cod. Sec. 2200.603]	---	---	---
8. For convertible debt, if applicable, are conversion features appropriately accounted for and disclosed? [APB 14, pars. 12 & 16-18 (AC D10.103 and D10.105-.107)]	---	---	---
9. Do current liabilities exclude short- term obligations that the entity intends to refinance on a long-term basis provided the entity has demonstrated the ability to consummate the long-term financing? [SFAS 6, pars. 8-14 (AC B05.112-.116); FASBI 8 (AC B05.117 and B05.138-.139)]	---	---	---
10. If a short-term obligation is to be excluded from current liabilities per SFAS 6, do disclosures include:			
a. General description of the financing agreement?	---	---	---
b. Terms of any new obligation incur- red or expected to be incurred, as a result of the refinancing? [SFAS 6, par. 15 (AC B05.118); FASBI 8, par. 3 (AC B05.117); TB 79-3 (AC B05.501-.503)]	---	---	---
11. For governmental funds, if all legal steps have been taken to refinance bond anticipation notes and the intent is supported by an ability to consum- mate refinancing the short-term note on a long-term basis in accordance			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
with FASB 6, are they shown as part of the GLTDAG? [GASB 1, Sec. B50.101 (GASB Cod. Sec. B50.101)]	---	---	---
12. Are demand bonds reported as general long-term debt or excluded from current liabilities of proprietary funds if the following conditions are met:			
a. Before the financial statements are issued, the issuer has entered into an arm's-length financing (take out) agreement to convert bonds "put" but not resold into some other form of long-term obligation?	---	---	---
b. The take out agreement does not expire within one year from the date of the issuer's balance sheet?	---	---	---
c. The take out agreement is not cancelable by the lender or the prospective lender during that year, and obligations incurred under the take out agreement are not callable by the lender during that year?	---	---	---
d. The lender or the prospective lender or investor is expected to be financially capable of honoring the take out agreement? [GASBI 1, par. 10 (GASB Cod. Sec. D30.108)]	---	---	---
13. If the conditions in 12 above are not met, are they reported as fund liabilities or, for proprietary funds, as current liabilities?	---	---	---
14. In addition to debt disclosures required by GASB Cod. Sec. 2300, are the following disclosures made for demand bonds outstanding:			
a. A general description of the demand bond program?	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<p>b. Terms of any letters of credit or other standby liquidity agreements outstanding, commitment fees to obtain the letters of credit, and any amounts drawn on them outstanding as of the balance sheet date?</p>	---	---	---
<p>c. A description of the take out agreement including its expiration date, commitment fees to obtain the agreement, and the terms of any new obligations under the take out agreement?</p>	---	---	---
<p>d. The debt service requirements that would result if the take out agreement were to be exercised? [GASBI 1, par. 11 (GASB Cod. Sec. D30.109)]</p>	---	---	---
<p>15. If a take out agreement has been exercised converting the bonds to an installment loan, is the installment loan reported as general long-term debt and the payment schedule under the installment loan included as part of the schedule of debt service requirements to maturity, as required by Section 2300, paragraph 104i? [GASBI 1, par. 12 (GASB Cod. Sec. D30.110)]</p>	---	---	---
<p>16. If the conditions of paragraph .12 are not met at the time a demand bond is issued (or prior to issuance of the financial statements for that year), is the liability for demand bonds reported as a liability of the fund used to account for the proceeds of the bond issue? [GASBI 1, par. 13 (GASB Cod. Sec. D30.111)]</p>	---	---	---
<p>17. If, because a take out agreement expires, it is necessary to report a fund liability for demand bonds previously reported as general long-term debt, is the liability recorded as a</p>			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
liability of the fund in which the proceeds of the issue were initially recorded with a corresponding debit to "other financing uses." [GASBI 1, par. 13 (GASB Cod. Sec. D30.111)]	—	—	—
18. If the answer to numbers 16 or 17 above is yes, are debt redemptions reported as expenditures of the fund from which debt service is normally paid and the liability (represented by the demand bonds) reduced simultaneously by a credit to "other financing sources." [GASBI 1, par. 13 (D30.111)]	—	—	—
19. For periods after a troubled debt restructuring, do disclosures include:			
a. Extent to which amounts contingently payable are included in the carrying amount of restructured payables?	—	—	—
b. Total amounts contingently payable, if applicable, and conditions under which those amounts would become payable or forgiven? [SFAS 15, par. 26 (AC D22.122)]	—	—	—
20. Where the reporting entity is a creditor, have the disclosures regarding troubled debt restructurings been made in accordance with paragraph No. 27 of FASB 15? [SFAS 15, par. 27 (AC D22.123)]	—	—	—
21. Has debt, as required, been considered extinguished for financial reporting purposes because			
a. The debtor pays the creditor and is relieved of all its obligations with respect to the debt. This includes the debtor's reacquisition of its outstanding debt securities in the public securities market, regardless of whether the securities are cancelled or held as so-called treasury bonds.	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. The debtor is legally released from being the primary obligor and it is probable that the debtor will not be required to make future payments with respect to that debt under any guarantee?	---	---	---
c. The debtor irrevocably places cash or other assets in a trust to be used solely for satisfying scheduled payments of both interest and principal of the defeased debt and the possibility that the debtor will be required to make future payments with respect to that debt is remote? [SFAS 76, par. 3 (AC D14.102A); GASB 7, par. 3 (GASB Cod. Sec. D20.103)]	---	---	---
22. If debt is considered to be extinguished [in an in-substance defeasance] under the provision of .102A(c) of SFAS 76, paragraph 6, has a general description of the transaction and the amount of debt that is considered extinguished at the end of the period been disclosed so long as that debt remains outstanding? [SFAS 76, par. 6 (AC D14.108); GASB 7, pars 1, 3 and 7 (GASB Cod. Sec. D20.101 and .102)]	---	---	---
23. For proprietary and similar fund types, if there is an extinguishment of debt, is the difference between reacquisition price and carrying amount recognized currently in income and identified as a separate item? [D20.107 (GASB Cod. Sec. D20.107) APB 26, par. 20-21, FASB 4, par. 1 (AC D14.103-.104)]	---	---	---
24. If the difference is material is it disclosed as an extraordinary item? [SFAS 4 , par. 8 (AC D14.107); GASB 1, Sec. D20.105-107 (GASB Cod. Sec. D20.105-107)]	---	---	---
25. In an advance refunding resulting in a defeasance of debt, for governmental			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
fund types, are the proceeds of the new debt reported as an "other financing source-proceeds of refunding bonds" in the fund receiving the proceeds? Are payments to the escrow agent from resources provided by the new debt reported as an "other financing use-payment to refunded bond escrow agent"? [GASB 7, par. 8 (GASB Cod. Sec. D20.108)]	---	---	---
26. Regardless of where the debt is reported, for a defeasance of debt through an advance refunding, was a general description provided of the transaction in the notes to the financial statements in the year of the refunding? [GASB 7, par. 11 (GASB Cod. Sec. D20.111)]	---	---	---
27. At a minimum did the disclosures include:			
a. The difference between the cash flows required to service the new debt and complete the refunding, and	---	---	---
b. The economic gain or loss resulting from the transaction? [GASB 7, par. 11 (GASB Cod. Sec. D20.111)]	---	---	---
28. Were disclosures made by fund type and account group? [GASB 7, par. 13 (GASB Cod. Sec. D20.113)]	---	---	---
29. In all periods following an advance refunding for which debt defeased in substance remains outstanding, is the amount outstanding at period-end disclosed? [GASB 7, par. 14 (GASB Cod. Sec. D20.114)]	---	---	---
30. Are long-term obligations that are or will be callable by the creditor because the debtor's violation of the debt agreement at the balance sheet			

Yes No N/A

date makes the obligation callable or because the violation, if not cured within a specified grace period, will make the obligation callable, classified as current unless one of the following conditions is met:

- | | | | | |
|-----|---|---|---|---|
| a. | The creditor waived or subsequently lost the right to demand repayment for more than one year (or operating cycle, if longer) from the balance sheet date? | — | — | — |
| b. | The obligation contains a grace period within which the debtor may cure the violation, is it probable that the violation will be cured within that period, thus preventing the violation from becoming callable?
[SFAS 78, par. 5 (AC B05.109A and B05.118)] | — | — | — |
| 31. | Has disclosure been made of defaults in provisions of security, indenture or credit agreements?
[SFAS 78, par. 5 (AC B05.109A)] | — | — | — |
| 32. | If a waiver has been obtained for a stated period of time, has disclosure been made of the period?
[SFAS 78, par. 5 (AC B05.109A)] | — | — | — |
| 33. | Are guarantees and other commitments included in liabilities?
[ASL GU Ch. 11, pars. 9-12] | — | — | — |
| 34. | Does a note describe the accounting policies for recording such liabilities?
[ASL GU Ch. 11, par. 28] | — | — | — |
| 35. | Have bonds, notes and other long-term liabilities (for example, for capital leases, pensions, judgments, compensated absences, special termination benefits, and similar commitments) directly related to and expected to be paid from proprietary funds, special assessment funds, and [certain] trust | | | |

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
funds been included in the accounts of such funds? [GASB 1, Sec. 1500.102 as amended by GASB 6, par. 13 (GASB Cod. Sec. 1500.102)]	---	---	---
36. Has one amount been disclosed on the balance sheet as the total liabilities for each fund type? [GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)]	---	---	---

I. Lessees

1. For capital leases do disclosures include:			
a. Gross amounts of assets and the accumulated amortization recorded by major classes as of the date of each balance sheet presented?	---	---	---
b. The lease obligations classified as current and long term? [SFAS 13, par. 16a (AC L10.112a(1)-(4)); GASB 1, Sec. L20.124 (GASB Cod. Sec. L20.124); ASLGU, Ch. 9, par. 22]	---	---	---
c. Future minimum lease payments as of the latest balance sheet presented in the aggregate and for each of the five succeeding fiscal years with appropriate separate deductions therefrom for executory costs and imputed interest to reduce net minimum lease payments to present value? [SFAS 13, pars. 10 & 16a (AC L10.106 and L10.112a (1)-(4))]	---	---	---
d. Total of future minimum sublease rentals under noncancelable subleases as of the date of the latest balance sheet presented? [SFAS 13, par. 16a (AC L10.112a (1)-(4))]	---	---	---
e. Total contingent rentals actually incurred for each period for which a Statement of Revenue and Expenditures is presented? [SFAS 13, par. 16a (AC L10.112a (1)-(4)) as amended 10/1/79 by SFAS 29, par. 12]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
2. For operating leases that have initial or remaining noncancelable lease terms in excess of one year, do disclosures include:			
a. Future minimum rental payments required as of the latest balance sheet presented in the aggregate and for each of the five succeeding fiscal years?	---	---	---
b. Total of future minimum rentals under noncancelable subleases as of the date of the latest balance sheet presented?	---	---	---
c. Have the nature and extent of leasing transactions with related parties been disclosed? [SFAS 13, par. 16b (AC L10.112b)]	---	---	---
3. For all operating leases do disclosures include: rental expense for each period for which an income statement is presented with separate amounts for minimum rentals, contingent rentals, and sublease rentals? [SFAS 13, par. 16c (AC L10.112c)]	---	---	---
4. Do disclosures include a general description of the lessee's leasing arrangements including but not limited to:			
a. Basis for determination of contingent rentals?	---	---	---
b. Terms of any renewal or purchase options or escalation clauses?	---	---	---
c. Restrictive covenants? [SFAS 13, par. 16d (AC L10.112d); for amendments of SFAS 13 see SFASs 17, 22, 23, 26, 27, 28, 29 and 91; for interpretations see FASBIs 19, 21, 23, 24, 26 and 27; for technical bulletins see TBs 79-10, 79-11, 79-12, 79-13, 79-14, 79-15, 79-16, 79-17, and 79-18]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
J. Other Liabilities and Deferred Credits			
1. Are estimated losses from loss contingencies accrued if both "probable" and the amount can be reasonably estimated as explained in SFAS 5? [SFAS 5, par. 8 (AC C59.105); FASBI 14 (AC C59.106-.107 and C59.124-.127); ASLGU, Ch. 4, par. 16, Ch. 10, par. 10, Ch. 17, par. 13; GASB 1, Sec. C50.110 (GASB Cod. Sec. C50.110)]	---	---	---
2. Are liabilities appropriately accrued and reported for employees' compensation for future absences? [SFAS 43, pars. 6-7 (AC C44.104 and C44.108); GASB 1, Sec. C50.112 (GASB Cod. Sec. C50.112)]	---	---	---
a. Has the amount of the liability for compensated absences which will be liquidated with expendable available financial resources been recorded as current liabilities? [GASB 1, Sec. C50.113 (GASB Cod. Sec. C50.113)]	---	---	---
b. Has the remainder of the liability in 2 above been recorded in GLTDAG? [GASB 1, Sec. C50.113 (GASB Cod. Sec. C50.113)]	---	---	---
c. If the governmental unit has not accrued compensated absences because the amount cannot be reasonably estimated, has this been disclosed in the notes? [SFAS 43, pars. 6-7 (AC C44.104)]	---	---	---
3. Are liabilities for special termination benefits to employees appropriately accrued and reported when the employees accept the offer and the amount can be reasonably estimated? [SFAS 74, par. 2 (AC C45.102), GASB 1, Sec. C60.103 (GASB Cod. Sec. C60.103); GASB 1, Sec. T25.102 (GASB Cod. Sec. T25.102)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. Are the public employee retirement systems (PERS) considered to be part of the reporting entity? [GASB 1, Sec. Pe5.120 (GASB Cod. Sec. Pe5.120)]	---	---	---
5. If the PERS is considered to be part of the reporting entity, have the PERS financial statements been incorporated into the annual financial statements of the state or local governmental entity? [GASB 1, Sec. Pe5.120 (GASB Cod. Sec. Pe5.120)]	---	---	---
6. Is the employer reporting for the PERS in conformity with the specific requirements for multi-employers plans? [GASB 4, par. 8 (GASB Cod. Sec. P20.103)]	---	---	---
7. If the PERS is not a multi-employer plan, is the disclosure in conformity with NCGA Statement 1, 6 or FASB Statement No. 35? [GASB 4, pars. 8 and 9, (GASB Cod. Sec. P20.103 and P20.104), GASB 5, par. 49 and GASB 1 (GASB Cod. Sec. Pe5.120 and Pe5.121)]	---	---	---
8. Has disclosure been made to indicate whether state and/or local governmental employees, including proprietary and similar trust funds, have not changed their accounting and reporting of pension activities as a result of FASB Statement No. 87? [GASB 4, par. 10 and GASB 5, par. 4 (GASB Cod. Sec. P20.106)]	---	---	---
9. If a change in method occurred in the new actuarial method in conformity with APB Opinion No. 8, NCGA Statement 1 or NCGA Statement 6, and is it considered preferable for purposes of making an accounting change in accordance with APB Opinion No. 20, Accounting Changes? [GASB 4, par. 10, footnote 1 (GASB Cod. Sec. P20.106)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
10. Indicate whether the employer has changed from one actuarial cost method to another during the period or fiscal period involved? [GASB 4, par. 10, footnote 1 (GASB Cod. Sec. P20.106)]	---	---	---
K. General Long-Term Debt			
1. Are long-term liabilities of proprietary funds and trust funds accounted for through those funds? [GASB 1, Sec. 1500.101; (GASB Cod. Sec. 1500.101); GASB 1, Sec. 1500.102 as amended by GASB 6, par. 13 (GASB Cod. Sec. 1500.102)]	---	---	---
2. Are other unmatured general long-term liabilities of the governmental unit accounted for through the General Long-Term Debt Account Group (GLTDAG)? [GASB 1, Sec. 1500.101 (GASB Cod. Sec. 1500.101); GASB 1, Sec. 1500.103; GASB 6, par. 17 and GASBI 1, par. 10 (GASB Cod. Sec. 1500.103)]	---	---	---
3. Have the individual components of long-term debt been classified appropriately as term bonds, serial bonds, and other general long-term liabilities? [GASB 1, Sec. 1500.105 [(GASB Cod. Sec. 1500.105)]	---	---	---
4. For advance refundings resulting in defeasance of debt, was the GLTDAG adjusted for the increase or decrease in the amount of long-term debt? [GASB 7, par. 9 (GASB Cod. Sec. D.20.109)]	---	---	---
L. Fund Balance			
1. Is there a disclosure made of any deficit fund balance or deficit retained earnings of individual funds? [GASB 1, Sec. 2300.104o (GASB Cod. Sec. 2300.104o)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
2. Has the designation "fund balance" only been used in appropriate fund types, i.e., General, Special Revenue, Debt Service, Capital Projects, Special Assessment and Trust Fund types? [GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)]	---	---	---
3. Have the fund balances (equity) of governmental funds been classified as either reserved or unreserved? [ASLGU Ch. 12, par. 1]	---	---	---
4. Have all changes in fund balances (equity) been disclosed? [APB 12, par. 10 (AC C08.102); ASLGU Ch. 12, par. 11]	---	---	---
5. Have any differences between opening fund balances and those previously reported been disclosed? [APB 9, par. 26 (AC A35.107); GASB 1, Sec. 2200.117 (GASB Cod. Sec. 2200.117)]	---	---	---
6. Is the retained earnings designation only shown in proprietary funds, such as Enterprise and Internal Service Funds? [GASB 1, Sec. 2200.116 (GASB Cod. Sec. 2200.116)]	---	---	---
7. Are contributed equity and retained earnings separately disclosed in proprietary fund types? [GASB 1, Sec. 2200.603 (GASB Cod. Sec. 2200.603)]	---	---	---
8. Where certain proprietary assets net of related proprietary liabilities are restricted in the balance sheet, is there disclosure of a corresponding reserve in retained earnings? [GASB 1, Sec. 2200.603 (GASB Cod. Sec. 2200.603)]	---	---	---

Yes No N/A

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES--ALL GOVERNMENTAL
FUND TYPES (AND SIMILAR TRUST FUNDS)

A. General

- | | | | |
|--|-----|-----|-----|
| 1. Is a combined statement titled "Combined Statement of Revenues, Expenditures and Changes in Fund Balances--All Governmental Fund Types" being presented?
[GASB 1, Sec. 1900.112-114 (GASB Cod. Sec. 1900.112-.114) and GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)] | --- | --- | --- |
| 2. Is the primary classification of governmental fund revenues disclosed by fund and source?
[GASB 1, Sec. 1800.114 (GASB Cod. Sec. 1800.114)] | --- | --- | --- |
| 3. Does the summary of significant accounting policies indicate that the modified accrual basis is used for recording all material revenues for governmental and similar expendable trust and agency funds?
[GASB 1, Sec. 1600.108 (GASB Cod. Sec. 1600.108)] | --- | --- | --- |
| 4. Indicate whether the basis of accounting used for recording revenues is determined by the fund type in which the grant, entitlement or shared revenue transactions are recorded?
[GASB 1, Sec. G60.103 (GASB Cod. Sec. G60.103)] | --- | --- | --- |
| 5. Are the major sources of revenues separately disclosed, such as grants, entitlements and shared revenues, taxes, licenses and permits, intergovernmental revenues, charges for services, fines and forfeits and miscellaneous?
[GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)] | --- | --- | --- |
| 6. Has a separate column been used for each governmental fund type and | | | |

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
similar trust fund used which shows the combined data for all such funds? [GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)]	—	—	—
7. If the combined statement contains a total column that aggregates the columnar statements by fund types and account groups, is it captioned "Memorandum Only" because the total column is not comparable to a consolidation? [ASLGU Ch. 18, par. 9]	—	—	—
8. Are interfund transfers and proceeds of long-term debt, including capital leases, classified separately from fund revenues and expenditures? [GASB 1, Sec. 1800.101, (GASB Cod. Sec. 1800.101) GASB 1, Sec. 1800.106-110 as amended by GASB 6 (GASB Cod. Sec. 1800 .106-.110)]	—	—	—
9. Are any grants, entitlements and shared revenues, which may be used in more than one fund at the discretion of the recipient, accounted for in an agency fund pending final determination? [GASB 1, Sec. G60.107 (GASB Cod. Sec. G60.107)]	—	—	—
10. Have those assets being held in agency funds pending a determination of the fund(s) to be financed been disclosed in the notes to financial statements? [GASB 1, Sec. G60.107 (GASB Cod. Sec. G60.107)]	—	—	—
 B. Property Taxes			
1. Do the financial statements or the notes disclose that property taxes have been recorded on the modified accrual basis? [GASB 1 Secs. P70.102-103, (GASB Cod. Sec. P70.102-.103)]	—	—	—
2. If the governmental entity desires to exclude some property tax revenues from appropriation to protect cash			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
liquidity, has this restricted revenue been disclosed by a designation of fund balance and an appropriate footnote? [GASB 1, Sec. P70.105 (GASB Cod. Sec. P70.105)]	—	—	—
3. Have the following details of the governmental unit's property tax calendar been disclosed:			
a. Lien dates?	—	—	—
b. Levy dates?	—	—	—
c. Due dates?	—	—	—
d. Collection dates? [GASB 1, Sec. P70.109 (GASB Cod. Sec. P70.109)]	—	—	—
4. If a governmental unit is prohibited by law from budgeting or appropriating property taxes recognized as revenue pursuant to Section P70, GASB Cod., has such prohibition been disclosed by a preservation of fund balance and explained in the notes to financial statements? [GASB 1, Sec. P70.104 (GASB Cod. Sec. P70.104)]	—	—	—
C. Sales Taxes			
1. For the entity being audited are sales tax revenues both measurable and available, i.e., collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period? [GASB 1, Sec. S10.101 (GASB Cod. Sec. S10.101)]	—	—	—
2. If taxpayer liability has been established and collectibility is assured or losses can reasonably be estimated, have sales tax revenues been recorded on the modified accrual basis? [GASB 1, Sec. 1600.107 and footnote 1 (GASB Cod. Sec. 1600.107 and footnote 1)]	—	—	—

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 3. If taxpayer liability and collectibility for sales taxes has clearly been established, as when tax returns have been filed, but collection, while assured, is delayed beyond the normal time of receipt, have these revenues been recognized as cash is received rather than recorded on the modified accrual basis?
[GASB 1, Sec. S10.102 (GASB Cod. Sec. S10.102)] | — | — | — |
| 4. Have sales taxes collected by merchants which are not yet required to be remitted to the taxing authority at the end of the fiscal year not been accrued?
[GASB 1, Sec. S10.103 (GASB Cod. Sec. S10.103)] | — | — | — |
| 5. Where sales taxes have been collected and held by one government agency for another at year-end, have these taxes been accrued if they are remitted in time to be used as a resource for payment of obligations incurred during the preceding fiscal year?
[GASB 1, Sec. S10.103 (GASB Cod. Sec. S10.103)] | — | — | — |
| 6. <u>Early or Delayed Receipts</u> Have material sales tax revenues, otherwise not recorded until they are received, been accrued if receipt is delayed beyond the normal time of receipt?
[GASB 1, Sec. S10.104 (GASB Cod. Sec. S10.104)] | — | — | — |
| 7. Have material sales tax revenues received prior to normal time of receipt recorded as deferred revenue?
[GASB 1, Sec. S10.104 (GASB Cod. Sec. S10.104)] | — | — | — |

D. Income Taxes

1. Have taxpayer assessed income and gross receipts taxes been recognized as cash is received even though the tax returns have been filed but collection, while assured, is delayed

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
beyond the normal time of receipt? [GASB 1, Sec. 1600.110 (GASB Cod. Sec. 1600.110)]	—	—	—
2. Have known refunds of income and gross receipts taxes been recorded as a liability and a reduction of revenue as of the time the refund claims are filed with the taxing authority? [GASB 1, Sec. 1600.110 (GASB Cod. Sec. 1600.110)]	—	—	—
E. Grants, Entitlements or Shared Revenues			
1. <u>Basis of Accounting.</u> For governmental funds have grants, entitlements, or shared revenues been recognized as revenue in the accounting period when they become susceptible to accrual, i.e., both measurable and available (modified accrual basis)? [GASB 1, Sec. 2300.105L (GASB Cod. Sec. 2300.105L); GASB 1, Sec. G60.103 (GASB Cod. Sec. G60.103)]	—	—	—
2. Has the basis of recording grants, entitlements or shared revenues been disclosed in the notes to financial statements? [GASB 1, Sec. 2300.105L (GASB Cod. Sec. 2300.105L)]	—	—	—
3. Where such resources are restricted (more in form than in substance) as for example entitlements or shared revenues, has there been any failure on the part of the recipient to comply with prescribed regulations which would cause a forfeiture of the resources and has this been disclosed in the notes to financial statements? [GASB 1, Sec. G60.109 (GASB Cod. Sec. G60.109); GASB 1, Sec. 2300.105L (GASB Cod. Sec. 2300.105L)]	—	—	—
4. Have entitlements or shared revenues been recorded as revenue at the time of receipt or earlier if the susceptible to accrual criteria are met? [GASB 1, Sec. G60.109 (GASB Cod. Sec. G60.109)]	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
5. Has grant revenue been recognized when the respective expenditures were made? [GASB 1, Sec. G60.109 (GASB Cod. Sec. G60.109)]	___	___	___
6. Have grant and entitlement receipts and outlays been classified as revenues and expenditures respectively? [GASB 1, Sec. G60.115 (GASB Cod. Sec. G60.115)]	___	___	___
7. Has the method selected for recognizing profits under contracts been disclosed? [ARB 45, par. 15 (AC Co4.112); APB 22, par. 13 (AC A10.106); SOP 81-1, par. 21]	___	___	___
8. If the percentage of completion method of accounting is being used by the entity, has disclosure been made of the method(s) of measuring extent of progress toward completion? [SOP 81-1, pars. 21, 25 and 45]	___	___	___
9. Have claims in excess of the agreed contract price been disclosed? [SOP 81-1, pars. 65-67]	___	___	___
F. Expenditures			
1. Are expenditures classified by function or program? [GASB 1, Sec. 1800.115 (GASB Cod. Sec. 1800.115)]	___	___	___
2. Are these expenditures further classified by character, e.g., current capital outlays, and debt service? [GASB 1, Sec. 1800.118 (GASB Cod. Sec. 1800.118)]	___	___	___
3. Has disclosure been made for the method utilized for the following:			
a. Have inventory items (materials and supplies) been considered expenditures either when purchased (purchase method) or when used (consumption method)? (Significant amounts of inventory should			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
be reported in the balance sheet.) [GASB 1, Sec. 1600.122a (GASB Cod. Sec. 1600.122a)]	—	—	—
b. Expenditures for insurance and similar services which extend over more than one accounting period need not be allocated between or among accounting periods, but may be accounted for as expenditures of the period of acquisition. Has the method followed been disclosed? [GASB 1, Sec. 1600.122b (GASB Cod. Sec. 1600.122b)]	—	—	—
c. If interest expenditures on special assessment indebtedness approximately offsets interest earned on special assessment levies, have both been recorded when due rather than when earned. [GASB 1, Sec. S40.115 (GASB Cod. Sec. S40.115)]	—	—	—
d. If debt service fund resources have been provided during the current year for payment of principal and interest due early in the following year, have the expenditure and related liability been recognized in the debt service fund and has the debt principal amount been removed from the General Long-Term Debt Account Group or has disclosure of subsequent year debt service requirements been made and has the expenditure been accounted for in the year of payment? [GASB 1, Sec. 1600.121 (GASB Cod. Sec. 1600.121)]	—	—	—

G. Related Party Transactions

If applicable, have related party transactions been disclosed separately both as to revenue and related operating costs and expenditures?
[SAS 45 (AU 1020.02); GASB 1, Sec.2300.105f (GASB Cod. Sec. 2300.105f)]

— — —

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
H. Depreciation			
Depreciation expense should not be recorded in governmental funds. Has this policy been followed in all governmental funds? [GASB 1, Sec. 1400.116 (GASB Cod. Sec. 1400.116)]	---	---	---
I. Transfers			
1. Are residual equity transfers reported as additions to or deductions from the beginning fund balance? [GASB 1, Sec. 1800.107 (GASB Cod Sec. 1800.107)]	---	---	---
2. Are operating transfers reported in the "Other Financing Sources (Uses)" section in the statement? [GASB 1, Sec. 1800.107 (GASB Cod Sec. 1800.107)]	---	---	---

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -- BUDGET AND ACTUAL -- GENERAL AND SPECIAL REVENUE FUND TYPES

A. General			
1. Has the combined statement been titled as shown above for the general fund and all special revenue funds and other governmental fund types for which annual budgets have been legally adopted? [GASB 1, Sec. 2400.102 (GASB Cod. Sec. 2400.102)]	---	---	---
2. Has a column for each separate governmental fund type used been presented showing combined results for all funds of that type? [GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)]	---	---	---
3. If a total column is shown, is it captioned "Memorandum Only" because the total column on a combined financial statement is not comparable to a consolidation? [GASB 1, Sec. 2200.113 (GASB Cod. Sec. 2200.113)]	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. Is there a note to the financial statements which discloses the nature of the column and explains that it does not present consolidated financial information? [GASB 1, Sec. 2200.113 (GASB Cod. Sec. 2200.113)]	---	---	---
5. Is the budget prepared on a consistent basis in conformity with generally accepted accounting principles (GAAP)? [GASB 1, Sec. 2400.104 (GASB Cod. Sec. 2400.104)]	---	---	---
6. However, if the legally prescribed budgetary basis differs materially from GAAP, has the budgetary data been compared with actual data on the budgetary basis (e.g., which may include encumbrances)? [GASB 1, Sec. 2400.104 (GASB Cod. Sec. 2400.104)]	---	---	---
7. Have differences between the budgetary basis and GAAP (as well as other differences) been explained in the notes to financial statements? [GASB 1, Secs. 2400.104 and 2400.113-.123 (GASB Cod. Secs. 2400.104 and 2400.113-.123)]	---	---	---
8. Do the notes to financial statements disclose the degree to which the reporting entity's financial operations are subject to a comprehensive "appropriated budget," "nonappropriated budget," or are non-budgeted financial activities? [GASB 1, Sec. 2400.111 (GASB Cod. Sec. 2400.111)]	---	---	---
9. When a separate budgetary report is prepared, do the notes to the general purpose financial statements make reference to that report? [GASB 1, Sec. 2400.112 (GASB Cod. Sec. 2400.112)]	---	---	---

Yes No N/A

COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS -- ALL PROPRIETARY
FUND TYPES (AND SIMILAR TRUST FUNDS)

A. General

- | | | | |
|--|-------|-------|-------|
| 1. Is the statement designated as "Combined Statement of Revenues, Expenses, and Changes in Retained Earnings -- All Proprietary Fund Types"? | _____ | _____ | _____ |
| [GASB 1, Sec. 2200.109-110 (GASB Cod. Secs. 2200.109-110)] | | | |
| 2. If material, are the variations between periods in the format of the statement of changes and in the terms used to express changes in financial position adequately disclosed in the financial statements and retroactively applied to all prior periods presented? | _____ | _____ | _____ |
| [SAS 1 (AU 420.15)] | | | |
| 3. If the disclosure and/or retroactive application in No. 2 above has not made, was this considered in the auditor's opinion regarding consistency? | _____ | _____ | _____ |
| [SAS 1 (AU 420.15)] | | | |
| 4. Does the statement include all proprietary fund types and similar trust funds? | _____ | _____ | _____ |
| [GASB 1, Sec. 2200.129 (GASB Cod. Sec. 2200.129)] | | | |
| 5. Is a separate column used for each proprietary fund type being used and does each column present combined data for such funds? | _____ | _____ | _____ |
| [GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)] | | | |
| 6. If a total column is shown, is it captioned "Memorandum Only" and is there a note explaining that it does not present consolidated financial information? | _____ | _____ | _____ |
| [GASB 1, Sec. 2200.113 (GASB Cod. Sec. 2200.113)] | | | |
| 7. Are the major sources of operating and nonoperating revenues and expenses | | | |

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
shown separately on the statement? [GASB 1, Sec. 1800.121 (GASB Cod. Sec. 1800.121)]	—	—	—
8. Has disclosure been made regarding the entity's policy for recognizing proprietary and nonexpendable pension and trust funds revenues and expenses? [GASB 1, Sec. 1600.125 (GASB Cod. Sec. 1600.125)]	—	—	—
9. If sales or revenues are made on the installment or other deferred basis has the method of recognizing income been disclosed? [GASB 1 Secs. 1600.116 and 125 (GASB Cod. Secs. 1600.116 and 125)]	—	—	—

B. Extraordinary Items

1. Has gain or loss resulting from an involuntary conversion of a non-monetary asset to a monetary asset been classified as either an extraordinary item or an unusual or infrequent item, whichever is applicable? [FASBI No. 30, par. 4 (AC N35.118)]	—	—	—
2. Was the following disclosure made for gains or losses from extinguishment of debt that are classified as extraordinary items:			
a. A description of the extinguishment transactions, including the sources of any funds used to extinguish debt if it is practicable to identify the sources? [SFAS 4, par. 9 (AC D14.107)]	—	—	—
3. Have the following criteria for extraordinary items been considered:			
a. Have material events on transactions that are unusual in nature or occur infrequently but not both, and therefore do not meet both criteria for classification as an extraordinary item, been reported			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
as a separate component of income from continuing operations? [APB 30, par. 26 (AC I22.101)]	—	—	—
b. Have the nature and financial effect of each transaction or event been disclosed? [APB 30, par. 26 (AC I22.101)]	—	—	—
c. In the absence of discontinued operations and changes in accounting principles, have the following main captions been disclosed where extraordinary items are reported:			
(1) Income before extraordinary items?	—	—	—
(2) Extraordinary items? (Note X)	—	—	—
(3) Net Income? [APB 30, par. 11 (AC I17.102)]	—	—	—
4. Do disclosures include descriptions of an extraordinary event(s) or transaction(s) and the principal items entering into the determination of extraordinary gain(s) or loss(es)? [APB, par. 11 (AC I17.102)]	—	—	—
5. Have all extraordinary items been segregated from results of ordinary operations? [APB 30, par. 10]	—	—	—
6. For an adjustment of an extraordinary item reported in a prior period:			
a. Is the adjustment classified separately as an extraordinary item in the current period?	—	—	—
b. Are the nature, origin and amount of the item disclosed? [SFAS 16, par. 16(c) (AC I17.119)]	—	—	—
C. Grants, Entitlements or Shared Revenues			
1. Have grants, entitlements, or shared revenues received for proprietary fund operating purposes, or which may be utilized for either operations or			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
capital expenditures at the discretion of the recipient government, been recognized as "nonoperating" revenues in the accounting period in which they are earned and become measurable (accrual basis)? [GASB 1, Sec. G60.110 (GASB Cod. Sec. G60.110)]	—	—	—
2. When such resources in proprietary funds have been restricted for the acquisition or construction of capital assets, have the resources been recorded as contributed equity? [GASB 1, Sec. G60.110 (GASB Cod. Sec. G60.110)]	—	—	—
3. Have grants, entitlements or shared revenues recorded in trust funds been recognized as revenues on a basis consistent with the fund's measurement objective (governmental or proprietary)? [GASB 1, Sec. G60.111 (GASB Cod. Sec. G60.111)]	—	—	—
4. If the option was elected to show depreciation on grant and entitlement fixed assets as a reduction of the contributed capital account, was a corresponding amount shown after net income and labeled similar to "Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital"? [GASB 1, Sec. G60.116 (GASB Cod. Sec. G60.116)]	—	—	—

D. Interest

Has the following information with respect to interest cost been disclosed in the financial statements or related notes:

1. For an accounting period in which no interest cost is capitalized, the amount of interest cost incurred and charged to expense during the period?	—	—	—
--	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
2. For an accounting period in which some interest cost is capitalized, the total amount of interest cost incurred during the period and the amount thereof that has been capitalized? [SFAS 34, par. 21 (AC I67.118)]	---	---	---
E. Residual Equity and Operating Transfers			
1. Are residual fund transfers reported as additions to contributed capital or as reductions of retained earnings or contributed capital as appropriate in the circumstances? [GASB 1, Sec. 1800.107 (GASB Cod. Sec. 1800.107)]	---	---	---
2. Are operating transfers reported in the "Operating Transfers Section" of the statement? [GASB 1, Sec. 1800.107 (GASB Cod. Sec. 1800.107)]	---	---	---
F. Related Party Transactions			
Was disclosure made separately of material revenues and related costs and expenses in connection with transactions with related parties? [GASB 1, Sec. 2300.105f (GASB Cod. Sec. 2300.105f); SFAS 57, par. 2 (AC R36.102)]	---	---	---
G. Depreciation			
Have the following disclosures been made in the financial statements or in notes thereto (depreciation is provided on property and equipment recorded in proprietary funds):			
1. Depreciation expense for the period?	---	---	---
2. Balance of major classes of depreciable assets, by nature or function at the balance sheet date?	---	---	---
3. Accumulated depreciation, either by major classes of depreciable assets or in total at the balance sheet date?	---	---	---

Yes No N/A

4. A general description of the method or methods used in computing depreciation with respect to major classes of depreciable assets?

[GASB 1, Sec. 1400.114-115 (GASB Cod. Sec. 1400.114-115); APB 12, par. 5 (AC D40.105)]

— — —

H. Nonmonetary Transactions

If one or more nonmonetary transactions occurred during the period, was disclosure made in the financial statements of the nature of the transactions, the basis of accounting for the assets transferred, and gains or losses recognized on transfers?

[APB 29, par. 28 (AC N35.120)]

— — —

I. Gains on Sales of Securities

For each period for which an income statement is presented has the following been disclosed:

1. Net realized gain or loss included in the determination of net income?

— — —

2. The basis on which cost was determined in computing realized gain or loss (that is, average cost or other method used)?

[ASL GU Chap. 7, par. 10; SFAS 12, par. 12 (AC I89.106)]

— — —

J. Futures Contracts

If the enterprise has entered into futures contracts that have been accounted for as hedges was the following disclosed:

1. The nature of the assets, liabilities, firm commitments, or anticipated transactions that are hedged with futures contracts?

— — —

2. Method of accounting for the futures contracts? The disclosure of the method shall include a description of the events or transactions that result in recognition in income of changes in value of the futures contracts.

[SFAS 80, par. 2 (AC F80.112)]

— — —

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
K. Research and Development Costs			
Has disclosure been made in the financial statements of the total research and development costs charged to expense in each period for which an income statement is presented? [SFAS 2, par. 13 (AC R50.109)]	—	—	—
L. Changes in Fund Balances/Retained Earnings			
1. Has disclosure been made of changes in all fund balances? [APB 12, par. 10 (AC Co8.102); GASB 1, Sec. 2200.110 (GASB Cod. Sec. 2200.110)]	—	—	—
2. Where a difference exists between the opening fund balances and the ending balances previously reported, have these been disclosed? [APB 9, par. 26 (AC A35.107)]	—	—	—
M. Segment Information			
1. Have segment disclosures been made for all "major nonhomogeneous" enterprise funds? [GASB 1, Sec. 2500.104 (GASB Cod. Sec. 2500.104)]	—	—	—
2. If segment disclosures are necessary to make the general purpose financial statements (GPFS) not misleading have they been presented? [GASB 1, Sec. 2500.104 (GASB Cod. Sec. 2500.104)]	—	—	—
3. Have the following segment disclosures necessary to make the financial statements not misleading been disclosed:			
a. Material intergovernmental operating subsidiaries to an enterprise fund?	—	—	—
b. Material intergovernmental operating subsidiaries to or from an enterprise fund?	—	—	—
c. Material enterprise tax revenues?	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
d. A material enterprise fund operating income or loss?	___	___	___
e. A material enterprise fund net income or loss? [GASB 1, Sec. 2500.105 (GASB Cod. Sec. 2500.105)]	___	___	___
4. Have the following disclosures been made for each "major nonhomogeneous" enterprise fund and in the aggregate for all other enterprise funds:			
a. Types of goods or services provided?	___	___	___
b. Operating revenues (total revenues from sales of goods or services)? (Sales to other funds of the governmental unit, if material, should be separately disclosed.)	___	___	___
c. Depreciation, depletion and amortization expenses?	___	___	___
d. Operating income or loss (operating revenues less operating expenses)?	___	___	___
e. Operating grants, entitlements, and shared revenues?	___	___	___
f. Operating interfund transfers in and out?	___	___	___
g. Tax revenues?	___	___	___
h. Net income or loss (total revenues less total expenses)?	___	___	___
i. Current capital contributions and transfers?	___	___	___
j. Property, plant, and equipment additions and deletions?	___	___	___
k. Net working capital (current assets less current liabilities)?	___	___	___
l. Total assets?	___	___	___
m. Bonds and other material long-term liabilities outstanding (amounts payable solely from operating			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
revenues should be disclosed separately from amounts also potentially payable from other sources)?	---	---	---
n. Total equity?	---	---	---
o. Has disclosure been made of any other material facts necessary to make the GPFS not misleading? [GASB 1, Sec. 2500.107 (GASB Cod. Sec. 2500.107)]	---	---	---

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -- ALL PROPRIETARY FUND TYPES (AND SIMILAR TRUST FUNDS)*

A. Title

Is the statement titled "Combined Statement of Changes in Financial Position -- All Proprietary Fund Types"?
[GASB 1, Sec. 1900.112 (GASB Cod. Sec. 1900.112)]

B. Trust Fund Data

If nonexpendable trust fund operations are included in the Combined Statement of Changes in Financial Position, does the title of the statement indicate this and are such data presented separately?
[GASB 1, Sec. 2200.105 (GASB Cod. Sec. 2200.105)]

* In November 1987 the Financial Accounting Standards Board issued Statement No. 95, "Statement of Cash Flows". This Statement requires that a statement of cash flows classify cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category.

This Statement is effective for annual financial statements for fiscal years ending after July 15, 1988 and will supersede APB 19. The disclosure requirements of SFAS 95 will be included in future updates of this checklist or in the "AICPA Audit and Accounting Manual."

Yes No N/A

C. Format and Content

- | | | | |
|---|----------|----------|----------|
| <p>1. Does the statement have a separate column for each proprietary fund type which presents the combined data for all funds of that type?
[GASB 1, Sec. 2200.112 (GASB Cod. Sec. 2200.112)]</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>2. If a total column is shown is it captioned "Memorandum Only" and does a note to the financial statements explain that it does not present consolidated financial information?
[GASB 1, Sec. 2200.113 (GASB Cod. Sec. 2200.113)]</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>3. Has the entity adopted the presentation which is most informative in its circumstances?
[APB 19, par. 9 (AC F40.104)].</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>4. Does the statement disclose the changes in elements of working capital for at least the current period, either in the statement or in a related tabulation?
[APB 19, par. 12 (AC F40.106)]</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>5. Does the statement of changes in financial position conform to the following format and accounting requirements:</p> | | | |
| <p>a. Does the statement begin with income or loss before extraordinary items, if any, and add back (or deduct) items recognized in determining income or loss that did not provide or use working capital or cash?</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>b. Does the statement then disclose working capital or cash provided or used by income or loss from extraordinary items, if any?</p> | <p>—</p> | <p>—</p> | <p>—</p> |
| <p>c. Has extraordinary income or loss been similarly adjusted for items recognized that did not provide or</p> | | | |

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
use the working capital or cash during the period? [APB 19, pars. 9 and 10 (AC F40.104)]	---	---	---
d. Does the statement disclose individually the effects of other financing and investing activities including the following:			
(1) Outlays for acquisitions and proceeds from retirements of property?	---	---	---
(2) Long-term borrowings and repayments of long-term debts? [APB 19, par. 14 (AC F40.109)]	---	---	---

D. Comparability

1. Does the statement disclose variations between periods in the format (such as changing to or from a balanced form) and in the terms used to express changes in financial position (such as changing from "working capital" to "cash")? [SAS 1, Sec. 420 par. 15 (AU 420.15)]	---	---	---
2. If material, are the variations adequately disclosed in the financial statements and retroactively applied to all prior periods presented? [SAS 1, Sec. 420 par. 15 (AU 420.15)]	---	---	---
3. If the disclosure and/or retroactive application in No. 2 above was not made, was this considered in the auditor's opinion regarding consistency? [SAS 1, Sec. 420 par. 15 (AU 420.15)]	---	---	---

OTHER DISCLOSURES

I. Pension Disclosures

A. Pension Plans---Separately Issued PERS Reports - Defined Benefit Pension Information

For pension disclosures in separately issued PERS financial reports, do the notes to the financial statements disclose the following:

Yes No N/A

1. Plan description

a. Identification of the PERS as the administrator of a single-employer agent multiple-employer, or cost sharing multi-employer plan, and the reporting entity, if any, of which it is a component unit; also number and types of contributing employers and non-employer contributors?

b. Types of employees covered and current membership, with separate identification of the number of (a) retirees and beneficiaries currently receiving benefits, and terminated employees entitled to benefits but not yet receiving them and (b) fully vested, partially vested, and non-vested active employees covered by the plan?

c. A brief statement about benefit provisions, employee eligibility requirements including eligibility for vesting and the authority under which benefit provisions are established?

d. Employer and employee obligations to contribute and the authority under which those obligations are established?

[GASB 5 par. 30a (GASB Cod. Sec. Pe6.130a)]

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Significant accounting policies including basis of accounting, method used to value assets for balance sheet purposes, and, if assets are valued at cost, the method used to account for exchanges or "SWAPS" of securities? (Also, disclose the effects on the amount of net

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
assets available for benefits of any changes in accounting policies during the year.)	_____	_____	_____
b. Investments (other than U.S. government and U.S. government guaranteed obligations) in any one organization that represents 5 percent or more of net assets available for benefits?	_____	_____	_____
c. Investments in, loans to, or leases with any PERS official, governmental employer official, party related to a PERS official or governmental employer official nonemployer contributor or organization included in the reporting entity of any participating employer? (Loans to employees from their own contributions, permitted by the terms of the plan, should not be listed.) [GASB 5 par. 30b (GASB Cod. Sec. Pe6.130b)]	_____	_____	_____

3. Funding Status and Progress

a. Explanation that the pension benefit obligation, which is the actuarial present value of credited projected benefits is a standardized disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date?	_____	_____	_____
b. Date of the actuarial valuation performed to determine the pension benefit obligation?	_____	_____	_____
c. Significant actuarial assumptions used to compute the pension benefit obligation, including rate of return on			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
investment of present and future assets (discount rate) projected salary increases due to (1) inflation and (2) merit or seniority, and postretirement benefit increases?	---	---	---
[The rate of return on investments should be a rate based on an estimated long-term yield considering (i) the nature and mix of current and expected investment and (ii) the basis used to value those assets. That rate and other assumptions should be determined by taking into account all relevant factors and expectations and should be calculated in accordance with recognized actuarial principles.]			
d. Pension benefit obligation in total and segregated as follows:			
(1) Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them?	---	---	---
(2) Current employees--			
(a) Accumulated employee contributions including allocated investment income, if any?	---	---	---
(b) Employer-financed vested?	---	---	---
(c) Employer-financed non-vested?	---	---	---
e. Net assets available for benefits, as of the same date as the pension benefit obligation, determined in accordance with the method used to value assets for PERS balance sheet purposes? If assets are valued at other than market, has market value also been disclosed?	---	---	---

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
f. Difference between the total amounts in d. and e. labeled "Unfunded [assets in excess of] pension benefit obligation"?	---	---	---
g. Explanation including separate dollar effects on the pension benefit obligation, of any current-year changes in (1) actuarial assumptions or (2) benefit provisions? [GASB 5 par. 30c (GASB Cod. Sec. Pe6.130c)]	---	---	---
4. Contributions Required and Contributions Made			
a. Funding Policy, including the role of actuarially determined-contribution requirements in carrying out that policy?	---	---	---
b. If contribution requirements are actuarially determined, have these disclosures been made:			
(1) Actuarial funding method and the period and method for amortizing any unfunded actuarial accrued liability?	---	---	---
(2) Has a statement been included that significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation, or explanation of the differences?	---	---	---
(3) Actuarially determined contribution requirements and the amounts intended to (i) cover normal cost and (ii) amortize any unfunded actuarial accrued liability, and contributions actually made by employer(s) and employees. Single-employer			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
PERS and cost-sharing multiple-employer PERS should also disclose both employer and employee contributions actually made as percentages of the current-year covered payroll?	___	___	___
(4) Explanation, including separate dollar effects on contribution requirements, of any current-year changes in (i) actuarial assumptions, (ii) benefit provisions, (iii) actuarial funding methods, or (iv) other significant factors?	___	___	___
c. If contribution requirements are not actuarially determined, were the following disclosed:			
(1) The fact that the contribution requirement was not actuarially determined?	___	___	___
(2) How the requirement was established? (For example, a rate established by law)	___	___	___
(3) Whether an actuary was used to determine the actuarial implications of the requirement (for example, period of amortization of the unfunded actuarial accrued liability), and what those implications are?	___	___	___
(4) The amount of the contribution requirement and the contribution actually made by employer(s) and employees. Single-employer PERS and cost sharing multi-employer PERS should also disclose both employer and employee contributions actually made as percentages of current-year covered payroll?	___	___	___

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<p>(5) Explanation, including separate dollar effects on contribution requirements, of any current-year changes in the method used to calculate or establish contribution requirements, for example, a change in the law? [GASB 5 par. 30d (GASB Cod. Sec. Pe6.130d)]</p>	—	—	—
<p>5. Location of the 10-year historical trend information required to be disclosed by paragraph 32 of Statement No. 5 of the Governmental Accounting Standards Board (see below), and an explanation that this provides information about progress made in accumulating sufficient assets to pay benefits when due? [GASB 5 par. 30e (GASB Cod. Sec. Pe6.130e)]</p>	—	—	—
<p>6. Does the PERS reporting also include disclosure of 10-year historical trend information as required supplementary information? [GASB 5 par. 31 (GASB Cod. Sec. Pe6.131)]</p>	—	—	—
<p>7. Does the 10-year historical trend information disclose the following:</p> <p style="margin-left: 2em;">a. Net assets available for benefits (as of the same date as the pension benefit obligation and as valued for PERS balance sheet purposes), the pension benefit obligation, and the former expressed as a percentage of the latter, also unfunded [assets in excess of] pension benefit obligation, annual covered payroll, and the former expressed as a percentage of the latter?</p> <p style="margin-left: 2em;">b. Revenues by source (employer contributions, employee contributions, investment income, and</p>	—	—	—

Yes No N/A

other income) and expenses by type (benefit payments, administrative expenses, refunds of employee contributions, and other expenses)?

Except for agent multiple-employer PERS, employer contributions should be expressed both as dollar amounts and as percentages of annual covered payroll? (The disclosure should state whether contributions were made in accordance with actuarial requirements)

c. If contributions actually made for particular years differed from actuarial or legal requirements, both the contribution made and the contribution required should be presented for those years?

d. Has the timing, nature and total dollar effect of any changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, or other factors that significantly affect the information presented in a, b and c above been disclosed for the year in which the changes are made?

[GASB 5, par. 32 (GASB Cod. Sec. Pe6.132)]

B. Pension Disclosures in Employer Financial Reports - Defined Benefit Pension Information

1. Do employers disclose in their notes to financial statements the information that follows for each single-employer PERS and each agent multi-employer PERS to which they contribute:

a. Plan Description

(1) Identification of the PERS to which contributions are made as

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
single employer or agent multi-employer?	_____	_____	_____
(2) Amount of the employer's current-year covered payroll and the employer's total current-year payroll for all employees?	_____	_____	_____
(3) A brief statement about types of employees covered, benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established?	_____	_____	_____
(4) Employer and employee obligations to contribute and the authority under which those obligations are established? [GASB 5, par. 35a (GASB Cod. Sec. P20.123a)]	_____	_____	_____
b. The amounts and types of securities, if any, of the employer and related parties included in PERS assets, including loans to the employer? (Whether in the form of notes, bonds, or other instruments) [GASB 5, par. 35b (GASB Cod. Sec. P20.123b)]	_____	_____	_____
c. Funding Status and Progress			
(1) Explanation that the pension benefit obligation which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(2) Date of the actuarial valuation performed to determine the pension benefit obligation? (Actuarial valuations must be performed at least biennially, with an actuarial up-date to the date 12 months after that biennial valuation.) (Balance sheet date valuations are encouraged but not required.)	—	—	—
(3) Significant actuarial assumptions used to compute the pension benefit obligation, including rate of return on investment of present and future assets (discount rate), projected salary increases due to (a) inflation and (b) merit or seniority, and postretirement benefit increases? The rate of return on investments should be a rate based on an estimated long-term yield considering (i) the nature and mix of current and expected investments and (ii) the basis used to value those assets.	—	—	—
(4) Pension benefit obligation applicable to the entity's employees, in total and segregated as follows:			
(a) Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them?	—	—	—
(b) Current employees-			
(i) Accumulated employee contributions including allocated investment income, if any?	—	—	—
(ii) Employer-financed vested?	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(iii) Employer-financed nonvested?	---	---	---
(5) Net assets available for benefits, as of the same date as the pension benefit obligation, determined in accordance with the method used to value assets for PERS balance sheet purposes?	---	---	---
Also, the method used to value assets for PERS balance sheet purposes?	---	---	---
If assets are valued at other than market, is market value also disclosed?	---	---	---
(6) Difference between the total amounts in 4 and 5 labeled "Unfunded [assets in excess of] pension benefit obligation"?	---	---	---
(7) Explanation, including separate dollar effects on the pension benefit obligation, of any current-year changes in (1) actual assumptions? or (2) benefit provisions? [GASB 5, par. 35c (GASB Cod. Sec. P20.123c)]	---	---	---
d. Contribution Required and Contribution Made			
(1) Funding policy, including the role of actuarially determined contribution requirements in carrying out that policy?	---	---	---
(2) If contribution requirements are actuarially determined, have these disclosures been made:			
(a) Actuarial funding method and the period and method			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
for amortizing any unfunded actuarial accrued liability?	—	—	—
(b) Statement that significant actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation, or an explanation of the differences?	—	—	—
(c) Actuarially determined contribution requirement and the amounts intended to (a) cover normal cost and (b) amortize any unfunded actuarial accrued liability, and contributions actually made by the employer and employees, expressed both in dollar amounts and as percentages of current-year covered payroll?	—	—	—
(d) Explanation including separate dollar effects on contribution requirements, of any current-year changes in (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method, or (d) other significant factors?	—	—	—
(3) If contribution requirements are not actuarially determined, have the following disclosures been made:			
(a) The fact that the contribution requirement was not actuarially determined?	—	—	—
(b) How the requirement was established (for example, a rate established by law)?	—	—	—

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(c) Whether an actuary was used to determine the actual implications of the requirement (for example, period of amortization of the unfunded actuarial accrued liability), and what those implications are?	_____	_____	_____
(d) The amount of the contribution requirement and the contribution actually made by employer and employees. Also disclose both the employer and employee contribution actually made as percentages of current-year covered payroll?	_____	_____	_____
(e) Explanation including separate dollar effects on contributions required of any current-year changes in the method used to calculate or establish contribution requirements, for example, a change in the law?	_____	_____	_____
[GASB 5 par. 35d (GASB Cod. Sec. P20.123d)]	_____	_____	_____
e. Three-Year Historical Trend Information (Until three years' data are available; as many years as are available should be presented.)			
(1) Net assets available for benefits expressed as percentages of the pension benefit obligation applicable to the entity's employees?	_____	_____	_____
(2) Unfunded [assets in excess of] pension benefit obligation, expressed as percentages of annual covered payroll?	_____	_____	_____
(3) Employer contributions expressed as percentages of annual covered payroll. This	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
disclosure should state whether contributions were made in accordance with actuarially determined requirements? [GASB 5 par. 35e (GASB Cod. Sec. P20.123e)]	—	—	—
f. Reference to 10-year historical trend information in separately issued PERS reports (or in employer reports: see Section IB2) and an explanation that this provides information about progress made in accumulating sufficient assets to pay benefits when due? [GASB 5 par. 35f (GASB Cod. Sec. P20.123f)]	—	—	—
2. Has the following required 10-year trend information been disclosed:			
a. Net assets available for benefits? (As of the same date as the pension benefit obligation and as valued for PERS balance sheet purposes).	—	—	—
b. Pension benefit obligation, and the net assets available for benefits expressed as a percentage of the pension benefit obligation?	—	—	—
c. Unfunded [assets in excess of] pension benefit obligation, annual covered payroll, and the percentage of unfunded [assets in excess of] pension benefit obligation as a percentage of annual covered payroll?	—	—	—
d. The timing, nature, and total dollar effect of any changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies or other factors that significantly affect the information presented for the year in which the changes are made? [GASB 5 par. 36 (GASB Cod. Sec. P20.124)]	—	—	—

C. Single Employer PERS Included as a Pension Trust Fund in the Employer Reporting Entity - Defined Benefit Pension Information

Does the employer reporting on its participation in a single-employer PERS that is included as a pension trust fund in the employer reporting entity make the following disclosures:

1. A single set of disclosures representing a combination of the disclosures required by Sections IA and IB of this disclosure checklist adapted to cover both the PERS and the employer? _____

2. In order to satisfy the requirements of Section IB1f of this disclosure checklist (reference to 10-year historical trend information in separately issued PERS reports or in employer reports and an explanation that this provides information about progress made in accumulating sufficient assets to pay benefits when due), has the employer made reference to the required 10-year historical trend information included in an employer CAFR or in a separately issued PERS report, if that report is publicly available? _____

[GASB 5, par. 37 (GASB Cod. Sec. P20.125)] _____

D. Multi-Employer PERS Included as a Pension Trust Fund in the Employer Reporting Entity - Defined Benefit Pension Information

Does the employer reporting entity combine the disclosure requirements of:

1. Section IA - "Pension Plan Disclosures in Separately Issued PERS Reports - Defined Benefit Information?" _____

2. Section IB1 - "Pension Disclosures in Employer Financial Reports - Defined Benefit Pension Information?" _____

3. Section IB2 - certain 10-year historical information? _____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. Section IE - "Employers Contributing to Cost-Sharing Multi-Employer PERS - Defined Benefit Pension Information?" [GASB 5, par. 38 (GASB Cod. Sec. P20.126)]	---	---	---
E. Employers Contributing to Cost-Sharing Multi-Employer PERS - Defined Benefit Pension Information			
Do the employers disclose in their notes to financial statements the following information for each cost-sharing multi-employer PERS to which they contribute:			
1. Identification of the PERS as a cost-sharing multiple-employer PERS?	---	---	---
2. Amount of the employer's current-year covered payroll and the employer's total current-year payroll for all employees?	---	---	---
3. A brief statement about types of employees covered, benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established?	---	---	---
4. Employer and employee obligations to contribute and the authority under which those obligations are established?	---	---	---
5. The entity's actuarially determined contribution requirement and the employee and employer contributions actually made, expressed both in dollar amounts and as percentages of the employer's current-year covered payroll; also, disclose any current-year changes in actuarial assumptions, benefit provisions, actuarial funding method, or other			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
significant factors and the aggregate effect on the employer's contribution rate, expressed as a percentage of the employer's current-year covered payroll?	_____	_____	_____
6. Explanation that the pension benefit obligation, which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the PERS funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and among employers?	_____	_____	_____
7. The total PERS pension benefit obligation and the total PERS net assets available for benefits (as of the same date as the pension benefit obligation)?*	_____	_____	_____
8. The employer's actuarially determined contribution requirement expressed as a percentage of total current-year actuarially determined contribution requirements for all employers?	_____	_____	_____

* An entity whose contribution to a cost-sharing multiple-employer PERS exceeds 50 percent of the actuarially determined contribution requirements for all participating entities may disclose its allocated share of the PERS pension benefit obligation and net assets available for benefits instead of the disclosure required by GASB No. 5 paragraph 39g. That allocation should be based on the percentage required to be disclosed in paragraph 39h, and the method of allocation should be disclosed.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
9. Reference to 10-year historical trend information in separately issued PERS reports and an explanation that this provides information about progress made in accumulating sufficient assets to pay benefits when due?	---	---	---
10. The amounts and types of securities, if any, of the employer and related parties included in PERS assets, including loans to the employer (whether in the form of notes, bonds, or other instruments)? [GASB 5, par. 39 (GASB Cod. Sec. P20.127)]	---	---	---
F. Component Units' Pension Information in the Reporting Entity's Financial Reports - Defined Benefit Pension Information			
1. When separate financial reports of component units are publicly available (containing the pension disclosures required by GASB Statement No.5), have the reporting entity's disclosures been minimized by referring to those reports and providing condensed data? [GASB 5, par. 40 (GASB Cod. Sec. P20.128)]	---	---	---
2. Have disclosure requirements in Section IB been limited to the following:			
a. Pension benefit obligation?	---	---	---
b. Net assets available for benefits?	---	---	---
c. A statement indicating whether actuarially determined employer contribution requirements were met? [GASB 5, par. 40 (GASB Cod. Sec. P20.128)]	---	---	---
3. Have Section IE disclosures (employers contributing to cost-sharing multi-employer PERS) been limited to a statement that			

Yes No N/A

actuarially determined contribution requirements were met and that the contributions were made to the same cost-sharing multi-employer PERS in which the oversight entity participates, if that is the case?
[GASB 5, par. 40 (GASB Cod. Sec. P20.128)]

G. Noncontributing Employers - Defined Benefit Pension Information

1. If the employer is not legally responsible for making contributions to a PERS but its employees are covered by a PERS because of contributions made by another entity, as described in GASB 5, par. 11, did the employer disclose in its notes to financial statements the following information for each of those situations:

a. Name of the entity making contributions on behalf of the employer's employees and the amount of the contribution?

b. Types of employees covered and employee eligibility requirements, including eligibility for vesting?

c. The employer's total current-year payroll for all employees, and its current-year covered payroll for that plan?

d. Employee and nonemployer contributor obligations to contribute and the authority under which those obligations are established?

[GASB 5, par. 11 (GASB Cod. Sec. P20.120)]

2. If the legal responsibility for making contributions remains with the participating employer but another entity pays the annual

Yes No N/A

employer contribution directly to the PERS as a matter of convenience, did the entity comply with the disclosure requirements of Section IB-E of this checklist which apply to the participating employer? [GASB 5, par. 41 (GASB Cod. Sec. P20.129)]

___ ___ ___

H. Unfunded Pension Arrangements - Defined Benefit Pension Information

If the defined benefit pension arrangement is not being funded and no contributions are made from any source before benefits are actually paid to retirees and other beneficiaries, has the employer disclosed its pension obligations? Were the disclosure requirements in Section IB-E of this checklist followed? [GASB 5, par. 42 (GASB Cod. Sec. P20.130)]

___ ___ ___

I. Reporting by Nonemployer Contributors - Defined Benefit Pension Information

Have the following disclosures been considered for each nonemployer contributor:

1. If the entity is legally responsible for making contributions to PERS that cover individuals other than their own employees?

___ ___ ___

2. If the nonemployer contributor is legally responsible for contributions to a single-employer or agent multi-employer PERS, has disclosure been made about its participation in the PERS in accordance with Section IB-D, as appropriate?

___ ___ ___

3. If the nonemployer contributor is responsible for making contributions to a cost-sharing multi-employer PERS, do the disclosures conform to the requirements of Section IE?

___ ___ ___

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. Have disclosures made in accordance with Section IB(2) and IE(2) been limited to the number of employees and amount of payroll covered by the PERS to which the contributions are made? [GASB 5, par. 43 (GASB Cod. Sec. P20.131)]	—	—	—
J. Defined Contribution Pension Information			
Have the following disclosures been considered for each defined contribution pension plan:			
1. If the pension plan has characteristics of both a defined benefit plan and a defined contribution plan, have the appropriate disclosures been made? [GASB 5, par. 45 (GASB Cod. Sec. P20.133)]	—	—	—
2. If the substance of the plan is to provide a defined benefit in some form, have disclosures been made in accordance with Section IB-I? [GASB 5, par. 45 (GASB Cod. Sec. P20.133)]	—	—	—
3. Do notes to separately issued financial statements for defined contribution pension plans include the following information:			
a. Plan Description			
(1) Identification of the PERS as the administrator of a single-employer or multi-employer defined contribution plan, and the reporting entity, if any, of which it is a component unit; also, number and types of contributing employers and nonemployer contributors?	—	—	—
(2) Types of employees covered and current membership?	—	—	—
(3) A brief statement about plan provisions, including			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
the authority under which those provisions are determined, and employee eligibility requirements, including eligibility for vesting?	---	---	---
(4) Employer and employee obligations to contribute and the authority under which those obligations are established?	---	---	---
b. Summary of Significant Accounting Policies and Plan Asset Matters.			
(1) Significant accounting policies including basis of accounting, method used to value assets for balance sheet purposes, and, if assets are valued at cost, the method used to account for exchanges or "swaps" of securities? If assets are valued for balance sheet purposes at other than market, disclosure of market value? (Also, disclosure of the effects on the amount of net assets available for benefits of any changes in accounting policies during the year?)	---	---	---
(2) Investments (other than U.S. government and U.S. government-guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits?	---	---	---
(3) Investments in, loans to, or leases with any PERS official, governmental employer official, party related to a PERS official or governmental			

Yes No N/A

employer official,
nonemployer contributor,
or organization included
in the reporting entity
of any participating
employer? (Loans to
employees from their own
contributions, permitted
by the terms of the plan,
should not be listed.)

[GASB 5, par. 46 (GASB Cod.
Sec. Pe6.137)]

4. Do the financial statements of the
of the employer disclose in the
notes to financial statements the
following information for each
defined contribution plan to which
it contributes, whether admin-
istered by a PERS, insurance com-
pany, or other organization:*

(a) Identification of the plan to
which contributions are made
as a defined contribution
plan?

(b) Amount of the employer's
current-year covered payroll
and its total current-year
payroll for all employees?

(c) Employer and employee obliga-
tions to contribute and the
authority under which those
obligations are established;

* These disclosures are also required to be made by
nonemployer contributors, as discussed in GASB 5,
par. 12 (GASB Cod. Sec. P20.121). Employers that
are not legally responsible for making contribu-
tions to a defined contribution plan but whose
employees are covered by a plan because of contri-
butions made by another entity, as described in
GASB 5, par. 11 (GASB Cod. Sec. P20.120), should
make the disclosures required by GASB 5, par. 41
(GASB Cod. Sec. P20.129).
[GASB 5, footnote 18 (GASB Cod. Sec. P20.134, ft. 18)]

Yes No N/A

also, a brief statement about plan provisions and employee eligibility requirements, including types of employees covered and eligibility vesting for vesting?

(d) Contribution requirement and the contributions actually made by the employer and employees, expressed both in dollar amounts and as percentages of the employer's current-year covered payroll; also the effects of any current-year changes in plan provisions?

(e) The amounts and types of securities, if any, of the employer and related parties included in plan assets, including loans to the employer (whether in the form of notes, bonds, or other instruments)?

[GASB 5, par. 47 (GASB Cod. Sec. P20.134)]

II. Deferred Compensation Plans

Deferred Compensation Plans Under Internal Revenue Code Section 457

Is the following information disclosed for deferred compensation plans under Internal Revenue Code Section 457:

1. The plan assets remain the property of the employer until paid or made available to participants, subject only to claims of the employer's general creditors?

[GASB 2, par. 13 (GASB Cod. Sec. D25.113)]

2. The governmental unit's fiduciary responsibility, including uses of plan assets for purposes other than paying benefits?

[GASB 2, par. 13 (GASB Cod. Sec. D25.113)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. If the plan is a multiple-jurisdiction plan, the portion of the assets in the fund which the administering governmental entity has legal access, as distinguished from the assets held for other participating governmental employees? [GASB 2, par. 13 (GASB Cod. Sec. D25.113)]	---	---	---

III. Special Assessments

Effective for financial statements for periods beginning after June 15, 1987, have the following recommended disclosures been made:

1. If the government is obligated in some manner for special assessment debt, do the notes to financial statements disclose the information required in GASB 1, Sec. 2300 "Notes to Financial Statements," as it applies to long term debt? [GASB 6, par. 20 (GASB Cod. Sec. S40.120)]	---	---	---
2. Do the notes identify and describe any guarantee, reserve or sinking fund established to cover defaults by property owners? [GASB 6, par. 20 (GASB Cod. Sec. S40.120)]	---	---	---
3. Do the notes disclose the amount of special assessment receivables that are delinquent if not separately displayed on the face of the financial statements? [GASB 6, par. 20 (GASB Cod. Sec. S40.120)]	---	---	---
4. If the government is not obligated in any manner for special assessment debt, do the notes disclose the amount of the debt and the fact that the government is in no way liable for repayment but is only acting as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if appropriate? [GASB 6, par. 21 (GASB Cod. Sec. S40.121)]	---	---	---
5. If earlier application was elected for GASB No. 6, were the accounting changes adopted to conform to the provisions of this statement applied retroactively, if practicable, and were the financial			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
statements for all prior periods presented restated? [GASB 6, par. 27 (GASB Cod. Sec. Appendix C)]	_____	_____	_____
6. For the year in which Statement No. 6 is first applied, have the following disclosures been made:			
a. The nature of the restatement and its effect?	_____	_____	_____
b. The reason for not restating any prior periods presented? [GASB 6, par. 27 (GASB Cod. Sec. Appendix C)]	_____	_____	_____

IV. Investments

A. Investments Accounted for by the Equity Method and Joint Ventures

1. Have the following disclosures applicable to the equity method of accounting for investments in common stock been made:			
a. The name of each investee and percentage of ownership or other manifestation of significant influence?	_____	_____	_____
b. Accounting policies of the client relative to equity method investments?	_____	_____	_____
c. Difference, if any, between the amount at which the investment is carried and the amount of underlying equity in net assets and the accounting treatment of the difference?	_____	_____	_____
d. The aggregate market value of each identified investment for which a market value is available?	_____	_____	_____
e. When investments in unconsolidated subsidiaries or joint ventures are in the aggregate material in rela-			

Yes No N/A

tion to financial position or results of operations, has summarized information as to assets, liabilities, and results of operations been presented in the notes or have separate statements been presented for such subsidiaries or joint ventures, either individually or in groups, as appropriate?
 [APB 18, par. 20 (AC I82.110)]

f. Are equity method investments shown in the balance sheet as a single amount, and the client's share of operating results of the investee shown in the operating statement as a single amount, except for extraordinary items, prior-period adjustments, etc.?
 [APB 18, par. 19c and d (AC I82.109c and d)]

2. If an investment in a joint venture does not meet the criteria for inclusion within the reporting entity (refer to GASB Cod. Sec. 2100.108 - .112), was the equity method used? [GASB 1, Sec. J50.102 (GASB Cod. Sec. J50.102)] Were the following disclosures made in addition to disclosures required in Section IVA shown above?

a. A general description of each joint venture, including:

(1) Identifying the participants and their percentage shares?

(2) Describing the arrangements for selecting the governing body or management?

(3) Disclosing the degree of control the participants have over budgeting and financing?

b. Condensed or summary financial information on each joint venture including:

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(1) Balance sheet date?	—	—	—
(2) Total assets, liabilities, and equity?	—	—	—
(3) Total revenues expenditures/ expenses, other financing sources (uses), and net increase (decrease) in fund balance/retained earnings?	—	—	—
(4) Reporting entity's share of assets, liabilities, equity, and changes therein during the year, if known?	—	—	—
c. Joint venture debt, both current and long-term, and the security for the debt.	—	—	—
[GASB 1, Sec. J50.103 (GASB Cod. Sec. J50.103)]			

APPENDIX

PENSION PLANS

In September 1986 GASB 4, par. 10 (GASB Cod. Sec. P20.106) indicated that state and local governmental employers should not change their accounting and financial reporting of pension activities as a result of FASB Statement No. 87, Employers Accounting for Pensions.

According to GASB 4, paragraph 4, the following pronouncements are considered by the Board as sources of acceptable accounting and reporting principles for PERS and state and local government employers (the order shown does not indicate preference):

1. NCGA Statement 1, Governmental Accounting and Financial Reporting Principles.*
2. NCGA Statement 6.
3. FASB Statement 35.

The above three sources were to provide interim guidance pending issuance by the Board of a statement on pension accounting and financial reporting.

*Amendment to NCGA Statement 1 [GASB Stat. No. 4, par. 11]

Footnote 8 of NCGA Statement 1 (Cod. Sec. Pe5.134, footnote 3) is superseded and replaced with the following:

Proprietary fund employers that account for pension activities in accordance with NCGA Statement 1 should recognize pension plan expenses and liabilities and make appropriate disclosures in conformity with APB Opinion No. 8, "Accounting for the Cost of Pension Plans," as amended by FASB Statement No. 36, "Disclosure of Pension Information" (if the required information is available), and by FASB Statement No. 74, "Accounting for Special Termination Benefits Paid to Employees." Footnote 4 to paragraph 8 of FASB Statement 36 provides that if the information required to be disclosed by that Statement is not available, the employer should disclose the reasons why that information is not available and should continue to comply with the disclosure requirements of APB Opinion 8.

EFFECTIVE DATE AND TRANSITION

The provisions of this Statement are effective on issuance.
[GASB 4, par. 12 (GASB Cod. Sec. Appendix C)]

PENSION PLANS--DEFINED BENEFIT -
PERS reporting in accordance with FASB 36

(The related pension assets and obligations of the Plan may be reported in fiduciary fund types as "pension trust funds." See the section on public employee retirement system (PERS) disclosures on page 96 for disclosures if plan statements are included in the GPFS.)

1. In addition to the disclosure requirements of GASB 5, see Section I -- "Other Disclosures", if the PERS are reporting in accordance with FASB 36 (AC P15), are each of the following items included in the information disclosed about the governmental unit's pension plans: [Note: Disclosures required by GASB 5, see Section I, should not be repeated to satisfy SFAS 36 requirements.]
 - a. A statement that such plans exists, identifying or describing the employee groups covered? _____
 - b. The governmental unit's accounting and funding policies? _____
 - c. The provision for pension cost for each period presented? _____
 - d. The nature and effect of significant matters affecting comparability for all periods presented?
[SFAS 36, par. 7 (AC P15.130)] _____

2. Are the following disclosed for each complete set of financial statements as of the most recent benefit information date:
 - a. Actuarial present value of vested accumulated plan benefits? _____
 - b. Actuarial present value of nonvested accumulated plan benefits? _____
 - c. Plan's net assets available for benefits? _____
 - d. Assumed rates of return used in determining actuarial present value of vested and nonvested accumulated plan benefits? _____

- e. Date as of which the benefit information was determined? _____
- [SFAS 36, par. 8 (AC P15.131)]
3. If 2 (a) through (e) were not available, is the amount, if any, of excess of the actuarially computed value of vested benefits over the total of the pension fund and any balance sheet pension accruals, less any pension prepayments or deferred charges, disclosed, and the reasons why (a) through (e) were not provided? _____
- [SFAS 36, par. 8 (AC P15.131)]
4. Are accrued or prepaid pension costs reflecting the difference between amounts charged against operations and amounts paid, if any, shown in the balance sheet? _____
- [APB 8, par. 18 (AC P15.111)]

PENSION PLANS--DEFINED CONTRIBUTION
PERS reporting in accordance with FASB 36

1. In addition to the disclosure requirements of GASB 5, see Section IJ, if the PERS is reporting in accordance with SFAS 36 (AC P15), are each of the following items included in the information disclosed about the governmental unit's defined contribution plan:
- a. A statement that a plan exists, identifying or describing the employee groups covered? _____
- b. The governmental unit's accounting and funding policies? _____
- c. The provision for pension cost for each period presented? _____
- d. The nature and effect of significant matters affecting comparability for all periods presented? _____
- [SFAS 36, par. 7 (AC P15.130)]

[Note: Disclosures required by GASB 5, see Section I, should not be repeated to satisfy SFAS 36 requirements.]

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