

1-1-2002

Checklists and illustrative financial statements for state and local governmental units (Non-GASB 34 edition) : a financial reporting practice aid, June 2002 edition

American Institute of Certified Public Accountants. Accounting and Auditing Publications

Venita M. Wood

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American Institute of Certified Public Accountants. Accounting and Auditing Publications; Wood, Venita M.; and Givarz, Leslye, "Checklists and illustrative financial statements for state and local governmental units (Non-GASB 34 edition) : a financial reporting practice aid, June 2002 edition" (2002). *Industry Guides (AAGs), Risk Alerts, and Checklists*. 937.
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June 2002 Edition

**CHECKLISTS
AND ILLUSTRATIVE
FINANCIAL STATEMENTS
FOR STATE AND LOCAL
GOVERNMENTAL UNITS
(NON-GASB 34 EDITION)**

*A Financial Accounting and
Reporting Practice Aid*

Prepared By
Venita M. Wood, CPA CGFM

Leslye Givarz
Technical Manager,
Accounting and Auditing Publications

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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Checklists and Illustrative Financial Statements for State and Local Governmental Units (Non-GASB 34 Edition) has not been approved, disapproved, or otherwise acted upon by any senior technical committees of the American Institute of Certified Public Accountants or the Financial Accounting Standards Board and has no official or authoritative status.

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

AICPA

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New York, NY 10036-8775

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1 2 3 4 5 6 7 8 9 0 AAP 0 9 8 7 6 5 4 3 2

ISBN 0-87051-411-3

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FSP Section 13,000

Checklists and Illustrative Financial Statements for State and Local Governmental Units (Non-GASB 34 Edition)

.01 The checklists and illustrative financial statements included in this section have been developed by the AICPA Accounting and Auditing Publications Team as nonauthoritative technical practice aids for use in audits of financial statements of and federal financial assistance received by state and local governmental entities. The checklists do not address the specialized accounting and financial reporting standards of governmental special entities—colleges, universities, hospitals, and those entities using not-for-profit accounting and financial reporting standards. The checklists cover GAAP disclosures—whether in the financial statements, the notes to financial statements, or required supplementary information—applicable to General Purpose Financial Statements (GPFS) and do not address additional disclosures applicable only to a Comprehensive Annual Financial Report (CAFR). Users also should be aware of the following:

- The checklists and illustrative financial statements do not include all disclosures and presentation items promulgated. Pronouncements deemed remote for audits of state and local governments are not included in this document.
- The checklists and illustrative financial statements are “tools” and do not represent official positions or pronouncements of the AICPA.

Subject to the discussion in the following bullet, the checklists and illustrative financial statements consider relevant accounting pronouncements through:

- Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards (SFAS) No. 145, *Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections*
- FASB Interpretation (FASBI) No. 44, *Accounting for Certain Transactions Involving Stock Compensation—an Interpretation of APB Opinion No. 25*
- FASB Technical Bulletin (FTB) No. 97-1, *Accounting Under Statement 123 for Certain Employee Stock Purchase Plans With a Look-Back Option*
- Governmental Accounting Standards Board (GASB) Statement No. 38, *Certain Financial Statement Note Disclosures*
- GASB Interpretation (GASBI) No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*
- GASB Technical Bulletin (GTB) 00-1, *Disclosures about Year 2000 Issues—a rescission of GASB Technical Bulletins 98-1 and 99-1*
- AICPA Statement on Auditing Standards (SAS) No. 96, *Audit Documentation*
- AICPA Statement of Position (SOP) 01-6, *Accounting by Certain Entities (Including Entities With Trade Receivables) That Lend to or Finance the Activities of Others*
- AICPA Audit and Accounting Guide *Audits of State and Local Governmental Units (Non-GASB 34 Edition)* (with conforming changes as of May 1, 2002)

The checklists and illustrative financial statements should be modified, as appropriate, for subsequent pronouncements. In determining the applicability of a pronouncement, its effective date also should be considered.

- These checklists and illustrative financial statements do not incorporate the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended and interpreted by GASB Statements No. 35, *Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities*, No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*, No. 38, and GASB Interpretation No. 6, or the provisions of the AICPA Audit and Accounting Guide *Audits of State and Local Governments (GASB 34 Edition)*. Users applying those GASB standards or that Guide should refer to the version of these checklists and illustrative financial statements that incorporates those provisions. GASB Statement No. 34, as amended and interpreted, fundamentally changes the format and content of financial statements (the financial reporting model) for all governmental entities. Those GASB pronouncements become effective in three phases depending on an entity’s total annual revenues in the first fiscal year ending after June 15, 1999. The first implementation phase is for financial statements for periods beginning after June 15, 2001, the second implementation phase is for financial statements for periods beginning after June 15, 2002, and the third implementation phase is for financial statements for periods beginning after June 15, 2003. For all phases, earlier application is encouraged. Special transition provisions apply for component units, for reporting general infrastructure assets, and for certain note disclosures. The Audit and Accounting Guide *Audits of State and Local Governments (GASB 34 Edition)*, which addresses auditing and reporting on financial statements prepared in conformity with GASB Statement No. 34, as amended and interpreted, is effective for audits of financial statements for the first fiscal period ending after June 15, 2003, in which a government does apply or is required to apply the provisions of GASB Statement No. 34. Earlier application of that Guide is encouraged if a government issues financial statements that apply GASB Statement No. 34 after the Guide is issued. For summaries of the provisions of the GASB pronouncements and the GASB 34 Edition of the Guide, see the annual AICPA Audit Risk Alert, *State and Local Governmental Developments*. Additional guidance concerning the implementation of GASB Statement No. 34, as amended and interpreted, is provided in two GASB staff Implementation Guides (*Questions and Answers Guide to Implementation of GASB Statement 34 on Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments* and *Questions and Answers Guide to Implementation of GASB Statement 34 and Related Pronouncements*) and an AICPA Practice Aid, *Understanding and Implementing GASB’s New Financial Reporting Model, A Question and Answer Guide for Preparers and Auditors of State and Local Governmental Financial Statements—Revised Edition* (Product No. 022516).
- The checklists and illustrative financial statements and auditors’ reports 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 the *Codification of Governmental Accounting and Financial Reporting Standards* and subsequent GASB pronouncements and the U.S. General Accounting Office’s 1994 revision to *Government Auditing Standards*, as amended, is required for proper implementation of the checklists.
- The items (including Appendix A) in these checklists that are derived solely from private-sector standards (such as those issued by the Financial Accounting Standards Board and the Accounting Principles Board) may have limited applicability for governmental entities. To determine the applicability of these reporting requirements, the user should refer to SAS No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, as amended (AICPA, *Professional Standards*, vol. 1, AU sec. 411), and GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended by GASB Statement No. 29, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*.
- Appendix B represents required reporting if GASB Statement No. 38 is early implemented before GASB Statement No. 34.

.02 Users of the checklists and illustrative financial statements and auditors' reports are urged to refer directly to applicable authoritative pronouncements when appropriate. If you have further questions, call the AICPA Technical Hotline at 1-888-777-7077.

Note: This publication was extracted from sections 13,000 through 13,600 of the AICPA *Financial Statement Preparation Manual* (FSP).

FSP Section 13,100

Introduction

.01 Many state and local governments prepare financial statements in conformity with generally accepted accounting principles (GAAP), and obtain audits in accordance with generally accepted auditing standards (GAAS), generally accepted governmental auditing standards (GAS), and the Single Audit Act. The following discusses current developments for governmental entities in the areas of GAAP and Single Audits.

Accounting Standards

.02 Since its establishment in 1984, the Governmental Accounting Standards Board (GASB) has been the primary source of generally accepted accounting principles for governments. According to SAS No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, as amended (AICPA, *Professional Standards*, vol. 1, AU sec. 411), statements and interpretations issued by the GASB are recognized within category (a) as a source of established accounting principles. The GASB's first pronouncement, *Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guides*, issued in June 1984, endorsed prior statements and interpretations of the National Council on Governmental Accounting (NCGA) and certain accounting standards in AICPA Statements of Position and the 1974 Audit and Accounting Guide *Audits of State and Local Governmental Units*. The GASB provides those previous standards as well as its own statements, interpretations, and technical bulletins in its *Codification of Governmental Accounting and Financial Reporting Standards*, updated as of June 30 each year.

.03 In 1999, the GASB issued a comprehensive revision of the governmental financial reporting model—GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Since 1999, the GASB has issued several related pronouncements to amend and interpret GASB Statement No. 34. FSP Section 13,000.01 discusses the effective dates of GASB Statement No. 34 and its related pronouncements and the version of these checklists and illustrative financial statements that incorporates the provisions of those pronouncements.

Single Audits

.04 Single Audits are governed by the Single Audit Act Amendments of 1996 and Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The Act and A-133 require a Single or Program-specific Audit for governments that expend \$300,000 or more of federal awards in a fiscal year. The OMB also issues an annual compliance supplement for conducting Single Audits under A-133.

.05 In March 1998, the AICPA provided guidance for implementing the Single Audit Act Amendments of 1996 and OMB Circular A-133 by issuing SOP 98-3, *Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards*, which is an Appendix to AICPA Audit and Accounting Guide *Audits of State and Local Governmental Units* (Non-GASB 34 Edition with conforming changes as of May 1, 2002). The AICPA also issued a practice aid for implementing the new Single Audit standards, *Auditing Recipients of Federal Awards: Practical Guidance for Applying OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations—Second Edition* (Product No. 006607).

FSP Section 13,200^{*}

Checklists—General

.01 Many auditors and accountants find it helpful to use checklists as practice aids to prepare financial statements and reports. Some firms have developed checklists in-house for internal use. 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.

.02 Checklists typically consist of a number of brief questions or statements that are accompanied by references to the accounting or auditing literature. The extent of detail included in checklists varies with the judgment of the preparers. 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 initialing each question or point to show that it has been considered. The format used herein 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 Checklists are generally accompanied by caveats that include all of the following points:

- Use of the checklists requires the exercise of individual professional judgment and may likely require some modification based on the circumstances of individual engagements.
- The checklists are not all-inclusive and are not intended to present minimum requirements.
- Users need to modify the checklists for any pronouncements issued subsequent to those mentioned in the checklists.

.05 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.

* As discussed in FSP Section 13,000.01, these checklists have not been updated for the provisions of GASB 34, as amended and interpreted, or the provisions of the AICPA Audit and Accounting Guide *Audits of State and Local Governments (GASB 34 Edition)*. Users applying those GASB standards or that Guide should refer to the version of these checklists and illustrative financial statements that incorporates those provisions.

FSP Section 13,300*

Financial Statements and Notes Checklist

.01 This checklist only includes pronouncements issued by the GASB, FASB, and AICPA that apply to the general purpose financial statements of state and local governmental entities. It does not include other presentations and disclosures that have become generally accepted through practice or that are required by other organizations or other disclosures that are required for a governmental entity’s comprehensive annual financial report. The provisions of the referenced pronouncements need not be applied to immaterial items.

.02 This checklist is organized into the sections listed below. Carefully review the topics listed and consider whether they represent potential disclosure items for the governmental entity. Place a check mark by those topics or sections considered applicable. Place an N/A by those topics or sections considered not applicable; those sections need not be completed. For example, if the entity did not have any derivatives, place an N/A by General, Section E, “Derivatives,” and skip that section when completing the checklist.

Place ✓ by
Sections Applicable

- General
 - A. Overview _____
 - B. Significant Accounting Policies _____
 - C. Accounting Changes _____
 - D. Comparative Financial Statements _____
 - E. Derivatives _____
 - F. Investments _____
 - G. Reverse Repurchase Agreements and Securities Lending Transactions _____
 - H. Nonexchange Transactions _____
 - I. Joint Costs That Include Fund Raising _____
 - J. Contingencies and Commitments _____
 - K. Subsequent Events _____
 - L. Related-Party Transactions _____
 - M. Component Units _____
 - N. Joint Ventures and Jointly Governed Organizations _____
 - O. Component Units and Related Organizations With Joint Venture Characteristics _____
 - P. Undivided Interests _____
 - Q. Defined Benefit Pension Plans _____
 - R. Defined Contribution Pension Plans _____
 - S. Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans _____
 - T. Employers’ Accounting for Pensions _____
 - U. Postemployment Benefits Other Than Pensions _____
 - V. Deferred Compensation Plans _____
 - W. Risk Financing and Related Financing Issues—Public Entity Risk Pools _____
 - X. Risk Financing and Related Financing Issues—Entities Other Than Risk Pools _____
 - Y. Municipal Solid Waste Landfill Closure and Postclosure Care Costs _____
 - Z. External Investment Pools _____

* As discussed in FSP Section 13,000.01, this checklist has not been updated for the provisions of GASB 34, as amended and interpreted. Users applying those GASB standards should refer to the version of these checklists and illustrative financial statements that incorporates those provisions.

*Place ✓ by
Sections Applicable*

- Combined Balance Sheet—All Fund Types, Account Groups, and Discretely Presented Component Units
 - A. Content _____
 - B. Cash and Investments, Including Reverse Repurchase Agreements and Securities Lending Transactions _____
 - C. Notes and Accounts Receivable _____
 - D. Inventories _____
 - E. Fixed Assets _____
 - F. Lessors _____
 - G. Intangible Assets _____
 - H. Liabilities _____
 - I. Lessees _____
 - J. Fund Balance _____
 - K. Other _____

- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—All Governmental Fund Types, Similar Trust Funds, and Discretely Presented Component Units
 - A. General _____
 - B. Expenditures _____

- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General and Special Revenue Fund Types (and Similar Governmental Fund Types of the Primary Government for Which Annual Budgets Have Been Legally Adopted)
 - A. General _____

- Combined Statement of Revenues, Expenses, and Changes in Retained Earnings (or Equity)—All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units
 - A. General _____
 - B. Extraordinary Items _____
 - C. Interest Costs to Acquire Certain Assets _____
 - D. Residual Equity and Operating Transfers _____
 - E. Depreciation _____
 - F. Futures Contracts _____
 - G. Foreign Currency Translation _____
 - H. Research and Development Costs _____
 - I. Inventories _____
 - J. Segment Information _____

- Combined Statement of Cash Flows—All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units
 - A. Title _____
 - B. Format and Policy _____
 - C. Classification of Cash Receipts and Cash Payments _____
 - D. Content and Form _____
 - E. Noncash Investing, Capital, and Financing Activities _____

- Appendix A: GASB 20—Proprietary Activities and Post-November 30, 1989 FASB and AICPA Pronouncements _____

- Appendix B: GASB 38 _____

.03 Explanation of References:

- GASB = Governmental Accounting Standards Board Statement
- GASBI = Governmental Accounting Standards Board Interpretation
- GASB Cod. Sec. = *Codification of Governmental Accounting and Financial Reporting Standards (Non-GASB 34 Edition)*, by the Governmental Accounting Standards Board (as of June 30, 2001)
- GTB = Technical Bulletin issued by the staff of the GASB
- NCGA = National Council on Governmental Accounting Statement
- NCGAI = National Council on Governmental Accounting Interpretation
- AAG-SLG = AICPA Audit and Accounting Guide, *Audits of State and Local Governmental Units (Non-GASB 34 Edition)* (with conforming changes as of May 1, 2002)
- SAS = AICPA Statement on Auditing Standards
- AU = Reference to section number in AICPA *Professional Standards* (vol. 1)
- SFAS = FASB Statement of Financial Accounting Standards
- AC = FASB *Accounting Standards—Current Text*
- FASBI = FASB Financial Accounting Standards Board Interpretation
- FTB = Technical Bulletin issued by the staff of the FASB
- APB = Accounting Principles Board Opinion
- ARB = Accounting Research Bulletin
- SOP = AICPA Statement of Position
- TPA = AICPA Technical Practice Aid

.04 Checklist Questionnaire:

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
I. General			
A. Overview			
1. Are all financial statements titled properly? [NCGA 1, par. 143; GASB 9, par. 6; GASB 14, pars. 19, 44, and 50; GASB 27, par. 22 (GASB Cod. Sec. 2200.108 and .109)]	_____	_____	_____
2. If total columns are presented on the combined financial statements, are they captioned "Memorandum Only," and is there a note explaining:			
a. That the columns are presented for information only?	_____	_____	_____
b. If interfund balances and transactions have been eliminated?	_____	_____	_____
c. That those columns do not present consolidated information? [AAG-SLG, par. 18.10; NCGA 1, par. 145 (GASB Cod. Sec. 2200.112); GASB 14, par. 49 (GASB Cod. Sec. 2200.117)]	_____	_____	_____
3. If the entity provides a total column for the entity as a whole, is a total column for the primary government also presented? [GASB 14, par. 49 (GASB Cod. Sec. 2600.112)]	_____	_____	_____
4. Has the entity refrained from labeling the component unit column(s) in the combined financial statements as "memorandum only"? [GASB 14, par. 49 (GASB Cod. Sec. 2600.112)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
5. Does each page of the general purpose financial statements (GPFS) refer to the notes to financial statements and, if the summary of significant accounting policies is shown as a stand-alone summary, also to that summary? [NCGAI 6, par. 8 (GASB Cod. Sec. 2300.110)]	_____	_____	_____
6. Do the fund types used conform to those described in GASB Cod. Sec. 1300.104? [NCGA 1, pars. 19, 20, and 26; GASB 6, pars. 13–15; GASB 31, pars. 17 and 18 (GASB Cod. Sec. 1300.104)]	_____	_____	_____
7. Has the entity included only one column for any generic fund type? [NCGA 1 (GASB Cod. Sec. 2200)]	_____	_____	_____

B. Significant Accounting Policies

1. Is a summary of significant accounting policies shown as the initial note to the financial statements or as a stand-alone summary? [NCGAI 6, pars. 7 and 8 (GASB Cod. Sec. 2300.109 and .110); APB 22, par. 15 (AC A10.108)]	_____	_____	_____
2. Does the summary of significant accounting policies address the following:			
a. A description of component units, their relationships to the primary government, how they are reported, the criteria for including component units, and how to obtain separate financial statements for component units? [NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106a); GASB 14, par. 61 (GASB Cod. Sec. 2600.124)]	_____	_____	_____
b. Basis of presentation—fund accounting, including fund categories/generic fund types, account groups, and the effects of component units with differing fiscal year-ends? [NCGAI 6, App. (GASB Cod. Sec. 2300.901)]	_____	_____	_____
c. A discussion of the measurement focus and basis of accounting for each fund type and recognition policies for material revenues and expenditures/expenses? [NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106a); AAG-SLG, par. 8.24. See also GASB Cod. Sec. 1600.105–.129]	_____	_____	_____
d. Method of encumbrance accounting and reporting? [NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106a); NCGA 1, pars. 91 and 92 (GASB Cod. Sec. 1700.129 and .130)]	_____	_____	_____
e. Policy regarding the use of FASB pronouncements for proprietary activities? [GASB 20, pars. 6 and 7 (GASB Cod. Secs. P80.104, .105, and 2300.106a)]	_____	_____	_____
f. Definition of cash and cash equivalents used in the statement of cash flows? [GASB 9, pars. 9–11 (GASB Cod. Sec. 2450.106–.108 and GASB Cod. Sec. 2300.106a)]	_____	_____	_____

* GASB 38, *Certain Financial Statement Note Disclosures*, rescinds this disclosure requirement. GASB 38 generally is effective at the same time as GASB 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, with early implementation encouraged. However, this disclosure can be omitted and the disclosures in Appendix B should be included in an entity’s notes to financial statements if GASB 38 is implemented before GASB 34 is implemented.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
g. Valuation bases for investments? [NCGAI 6, App. (GASB Cod. Sec. 2300.901); GASB 31, par. 15 (GASB Cod. Sec. I50.119); AAG-SLG, par. 14.15]	_____	_____	_____
h. Policy regarding reporting infrastructure assets? [NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106a); NCGA 1, par. 40 (GASB Cod. Sec. 1400.109)]	_____	_____	_____
i. Policy regarding capitalization of interest costs incurred during construction of fixed assets? [NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106a); NCGA 1, par. 48 (GASB Cod. Sec. 1400.111)]	_____	_____	_____
j. The extent to which fixed asset costs are estimated and the methods of estimation? [NCGA 1, par. 49 (GASB Cod. Sec. 1400.112); NCGAI 6, par. 5 (GASB Cod. Sec. 2300.107n)]	_____	_____	_____
k. Policy regarding expenditure recognition of inventories—purchase or consumption method? [NCGA 1, par. 73 (GASB Cod. Sec 1600.124)]	_____	_____	_____
l. Policy regarding vacation and sick leave? [NCGA 4 and GASB 16 (GASB Cod. Sec. C60); NCGAI 6, App. (GASB Cod. Sec. 2300.901)]	_____	_____	_____

C. Accounting Changes

1. Is the implementation of any new accounting standards presented as provided for in the implementation section of the standard? [Generally Accepted]	_____	_____	_____
2. 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 why the newly adopted principle is preferable?	_____	_____	_____
c. Effect on excess of revenues over (under) expenditures or on income before extraordinary items and net income? [APB 20, pars. 17 and 19 (AC A06.113 and .115)]	_____	_____	_____
3. If applicable, 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)]	_____	_____	_____
4. Are the effects of changes in accounting estimates disclosed? [APB 20, pars. 31–33 (AC A06.130–.132)]	_____	_____	_____
5. If a change in reporting entity occurs, are the disclosures made in accordance with APB 20, paragraphs 34 and 35? [APB 20, pars. 34 and 35 (AC A35.112 and .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 or on net income before extraordinary items and net income disclosed in the period in which the error is 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. Are the resulting effects on the excess of revenues over (under) expenditures or net income of prior periods disclosed in the financial statements 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 or net income of the immediately preceding period?	_____	_____	_____
c. If financial statements for more than one period are presented, does disclosure include the effects for each of the periods presented in the statements? [APB 9, par. 26 (AC A35.107)]	_____	_____	_____
8. If the prior-period adjustments pertain to historical summaries of financial data, are the adjustments reflected therein with appropriate disclosure? [APB 9, par. 27 (AC A35.108)]	_____	_____	_____
9. If interim financial reports contain an adjustment related to prior interim periods of the current fiscal year, do disclosures include:			
a. The effect on excess (deficiency) from continuing operations and excess (deficiency) for each prior interim period of the current fiscal year?	_____	_____	_____
b. Excess (deficiency) from continuing operations and excess (deficiency) for each prior interim period restated? [SFAS 16, par. 15 (AC A35.111)]	_____	_____	_____
10. If the current-period financial statements will have to be restated in the future because a GASB or FASB pronouncement will require retroactive application of its provisions by prior period adjustment, are the impending change in principle and the resulting restatement disclosed if they are considered essential data? [Interpretation 3 of SAS 1, sec. 410 (AU 9410.13-.18)]	_____	_____	_____

D. Comparative Financial Statements

1. Were comparative statements considered? [ARB 43, Ch. 2A, pars. 1 and 2 (AC F43.101 and .102)]	_____	_____	_____
2. If comparative financial statements are presented, are the notes and other disclosures included in the financial statements of the preceding year(s) 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 comparative financial statements are presented and 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. 3 (AC F43.103)]	_____	_____	_____

E. Derivatives

1. Do disclosures for derivatives and similar debt and investment transactions include a discussion of the relevant accounting policies and			
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	<u>Yes</u>	<u>No</u>	<u>N/A</u>
any other information necessary to keep the financial statements from being misleading? [GTB 94-1, par. 2; NCGA 1, par. 158; NCGAI 6, pars. 4 and 6 (GASB Cod. Secs. 2300.106, .108, and .601)]	_____	_____	_____
2. If derivatives have been used, held, or written during the period covered by the financial statements, do disclosures include the nature of the transactions and the reasons for entering into them and a discussion of the entity's exposure to credit, market, and legal risk? [GTB 94-1, par. 3 (GASB Cod. Sec. 2300.601)]	_____	_____	_____
3. Is disclosure made if the entity has violated legal, regulatory, or contractual provisions by using, holding, or writing derivative during the period? [GTB 94-1, par. 2; NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106 and .601)]	_____	_____	_____
4. If the entity indirectly used, held, or wrote derivatives during the period and the information in Steps 1-3 is not available, is that fact disclosed? [GTB 94-1, par. 4 (GASB Cod. Sec. 2300.601)]	_____	_____	_____
5. Have proprietary activities applied the requirements of the appropriate, applicable private-sector pronouncements? [GASB 20, pars. 6 and 7 (GASB Cod. Sec. P80.104 and .105)]	_____	_____	_____

F. Investments¹

1. Are investments in interest-earning investment contracts; external investment pools; open-end mutual funds; debt securities; and equity securities, (including unit investment trusts and closed-end mutual funds), option contracts, stock warrants, and stock rights that have readily determinable fair values measured at fair value, except as provided for in GASB Cod. Sec. I50.106, .107, and .110? [GASB 31, pars. 2 and 7 (GASB Cod. Sec. I50.101 and .105)]	_____	_____	_____
2. If an entity has purchased put option contracts or written call option contracts on securities and it has those same securities among its investments, has it considered those contracts in determining the fair value of those securities to the extent that it does not report those contracts at fair value? [GASB 31, par. 7 (GASB Cod. Sec. I50.105)]	_____	_____	_____
3. For investments that are reported using cost-based measures, have unrealized losses been properly recorded due to decreases in fair value when the decline in value is not due to a temporary condition? [GASB 10, par. 44, as amended by GASB 31, par. 6 (GASB Cod. Sec. Po20.142); AAG-SLG, par. 7.15]	_____	_____	_____
4. Is all investment income, including the change in the fair value of investments, reported as revenue in the operating statement (or other statement of activities)? [GASB 31, par. 13 (GASB Cod. Sec. I50.111)]	_____	_____	_____

* See also Appendix A.

¹ These questions on investments do not apply to defined benefit pension plans or to governmental external investment pools. See the separate sections for those types of entities and funds. Steps 1 through 3, 12, and 13 apply to Internal Revenue Code Section 457 deferred compensation plans that are reported in a government's financial statements.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
5. If identified separately as an element of investment income, is the change in the fair value of investments captioned "net increase (decrease) in the fair value of investments"? [GASB 31, par. 13 (GASB Cod. Sec. I50.111)]	_____	_____	_____
6. Are realized gains and losses not displayed separately from the net increase (decrease) in the fair value of investments in the financial statements? [GASB 31, par. 13 (GASB Cod. Sec. I50.111)]	_____	_____	_____
7. For investments reported at fair value, is interest income reported at the stated interest rate, without any premiums or discounts amortized? [GASB 31, fn. 7 (GASB Cod. Sec. I50, fn. 9)]	_____	_____	_____
8. Is the equity position of each fund or component unit in an internal investment pool reported as assets in those funds and component units, that is, as, for example, "equity in cash management pool," "equity in internal investment pool," "cash and cash equivalents," or "investments"? [AAG-SLG, par. 7.14; GASB 31, par. 14 (GASB Cod. Sec. I50.112)]	_____	_____	_____
9. If income from investments associated with one fund is assigned to another fund because of legal or contractual provisions, is the accounting treatment based on the specific language of the legal or contractual provisions? ² [GASB 31, par. 14 and fn. 8 (GASB Cod. Sec. I50.112 and fn. 10)]	_____	_____	_____
10. If investment income is assigned to another fund for other than legal or contractual reasons—for example, management decision—is the income recognized in the fund that reports the investments, with the transfer of that income to the recipient fund reported as an operating transfer? [GASB 31, par. 14 (GASB Cod. Sec. I50.112)]	_____	_____	_____
11. If the entity provides individual investment accounts to other, legally separate entities that are not part of the same financial reporting entity, are those investments reported in one or more separate investment trust funds? [GASB 31, par. 20 (GASB Cod. Sec. I50.118)]	_____	_____	_____
a. Does the entity present for each of those investment trust funds a statement of net assets and a statement of changes in net assets? [GASB 31, par. 18 (GASB Cod. Sec. I50.116)]	_____	_____	_____
12. Does the entity make the following disclosures in the notes to the financial statements:			
a. The methods and significant assumptions used to estimate the fair value of investments, if that fair value is based on other than quoted market prices?	_____	_____	_____
b. The policy for determining which investments, if any, are reported at amortized cost?	_____	_____	_____

² Concerning Steps 9 and 10, colleges and universities that follow the AICPA College Guide model and entities that follow the AICPA Not-for-Profit model should follow the provisions of those models for assigning investment income, including changes in the fair value of investments, to funds. [GASB 31, par. 14 (GASB Cod. Sec. I50.112)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. For any investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool and whether the fair value of the position in the pool is the same as the value of the pool shares?	_____	_____	_____
d. Any involuntary participation in an external investment pool?	_____	_____	_____
e. If an entity cannot obtain information from a pool sponsor to allow it to determine the fair value of its investment in the pool, the methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate?	_____	_____	_____
f. Any income from investments associated with one fund that is assigned to another fund? [GASB 31, par. 15 (GASB Cod. Sec. I50.119)]	_____	_____	_____
13. If the entity discloses realized gains and losses in the notes to the financial statements for those investments that are reported at fair value:			
a. Is the amount computed as the difference between the proceeds of the sale and the original cost of the investments sold?	_____	_____	_____
b. Does the entity also disclose that the calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments and that realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year? [GASB 31, par. 15 (GASB Cod. Sec. I50.119)]	_____	_____	_____

G. Reverse Repurchase Agreements and Securities Lending Transactions

1. Is the interest cost of reverse repurchase and fixed coupon reverse repurchase agreements reported as interest expenditure/expense, and not netted with interest earned on any related investments? [GASB 3, par. 82 (GASB Cod. Sec. I55.115)]	_____	_____	_____
2. Are the income and costs arising from pooled reverse repurchase agreements reported in the operating statements of the funds in accordance with the provisions of GASBI 3, paragraph 4? [GASBI 3, par. 4 (GASB Cod. Sec. I55.117)]	_____	_____	_____
3. Are yield maintenance reverse repurchase agreements accounted for as sales and purchases of securities, with gains or losses recognized? [GASB 3, par. 83 (GASB Cod. Sec. I55.118)]	_____	_____	_____
4. Are the costs of securities lending transactions, including borrower rebates (which should be reported as interest expenditures or expenses) and agent fees, reported as expenditures or expenses in the operating statement, and not netted with interest revenue or income from the investment of cash collateral, any other related investments, or loan premiums or fees? [GASB 28, par. 8 (GASB Cod. Sec. I60.106)]	_____	_____	_____
5. Are the income and costs arising from pooled securities lending transactions reported in the operating statements of the funds in accordance with the provisions of GASB 28, paragraph 10? [GASB 28, par. 10 (GASB Cod. Sec. I60.108)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
H. Nonexchange Transactions			
<i>General</i>			
1. Is the accounting and financial reporting of nonexchange transactions appropriate for their class and characteristics (derived tax revenues, imposed nonexchange revenues, government-mandated nonexchange transactions, or voluntary nonexchange transactions), as described in paragraph 7 of GASB 33, as well as for the basis of accounting of the fund in which they are reported? [GASB 33, pars. 8, 11, 15–18, 21–27, 29, and 30; GASB 36, par. 2 (GASB Cod. Sec. N50.105, .108, .112–.115, .118–.127)]	_____	_____	_____
2. Are transactions that are not recognizable because they are not measurable disclosed? [GASB 33, par. 11 (GASB Cod. Sec. N50.108)]	_____	_____	_____
3. Do recipients of resources that have purpose restrictions report the resulting net assets (or equity or fund balance, as appropriate) as restricted until the resources are used for the specified purpose or for as long as the provider requires the resources to be maintained intact (for example, endowment principal)? (In governmental funds, restrictions on resulting fund balance should be reported as a fund balance reservation.) [GASB 33, par. 14 and 22 (GASB Cod. Sec. N50.111 and .119)]	_____	_____	_____
4. Are resources received before the revenue recognition criteria are met reported as deferred revenues? Are resources transmitted before the expense/expenditure recognition criteria are met reported as advances? [GASB 33, pars. 15–16, 18–19, 21 (GASB Cod. Sec. N50.112–.113, .115–.116, .118)]	_____	_____	_____
<i>Property Taxes</i>			
5. Are property tax receivables recognized when an enforceable legal claim to the taxes arises? (If the enforceable legal claim does not arise until the period after the period for which the taxes are levied, the receivables should be recognized in the same period that the revenues are recognized.) [GASB 33, par. 17 (GASB Cod. Sec. N50.114)]	_____	_____	_____
6. In funds that recognize accrual-based revenues, are property tax revenues, net of estimated refunds and estimated uncollectible amounts, recognized in the period for which the taxes are levied, even if the enforceable legal claim arises or the due date for payment occurs in a different period? [GASB 33, par. 18 (GASB Cod. Sec. N50.115)]	_____	_____	_____
7. In funds that recognize modified accrual-based revenues, are property tax revenues, net of estimated uncollectible amounts, recognized in the period for which the taxes are levied, provided that the amounts were collected within the current period or within 60 days thereafter? [NCGA 1, par. 65; NCGAI 3, pars. 6 and 8; GASBI 5, par. 4 (GASB Cod. Sec. P70.104 and .107)]	_____	_____	_____
8. If, because of unusual circumstances, the facts justify the collection period to exceed 60 days, does the entity disclose the period used and the facts that justify it? [NCGAI 3, par. 8 (GASB Cod. Sec. P70.104)]	_____	_____	_____

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 9. If the entity desires to exclude some property tax revenues from appropriation to protect cash liquidity, is this restricted revenue disclosed by a designation of fund balance and an appropriate note?
[NCGAI 3, par. 10 (GASB Cod. Sec. P70.105)] | _____ | _____ | _____ |
| 10. If property taxes are received or property tax receivables are recognized before the revenue is recognized, are they recorded as deferred revenues?
[NCGAI 3, par. 7 (GASB Cod. Sec. P70.108)] | _____ | _____ | _____ |
| 11. Are the details of the entity's property tax calendar disclosed, including lien dates, levy dates, due dates, and collection dates?
[NCGAI 3, par. 11 (GASB Cod. Sec. P70.109)] | _____ | _____ | _____ |

Pass-Through Grants

- | | | | |
|--|-------|-------|-------|
| 12. Are all cash pass-through grants reported in the financial statements, generally as revenue and expenditures or expenses in a governmental, proprietary, or trust fund? (In those infrequent cases in which a recipient government serves only as a cash conduit, the grant should be reported in an agency fund.)
[GASB 24, par. 5 (GASB Cod. Sec. N50.128)] | _____ | _____ | _____ |
| 13. If there are two legally separate entities that are the parties to a transaction involving pass-through grants and they are part of the same governmental reporting entity, are revenue and expenditures or expenses relating to these intra-reporting entity transactions reclassified as operating transfers?
[GASB 24, par. 14 (GASB Cod. Sec. N50.136)] | _____ | _____ | _____ |

On-Behalf Payments for Fringe Benefits and Salaries

- | | | | |
|--|-------|-------|-------|
| 14. Are the amounts of revenues recognized for on-behalf payments for fringe benefits and salaries disclosed in the notes to the financial statements?
[GASB 24, par. 12 (GASB Cod. Sec. N50.134)] | _____ | _____ | _____ |
| 15. For on-behalf payments that are contributions to a pension plan for which the employer government is not legally responsible, is the name of the plan that covers the government's employees and the name of the entity that makes the contributions disclosed?
[GASB 24, par. 12 (GASB Cod. Sec. N50.134)] | _____ | _____ | _____ |
| 16. Are the expenditures or expenses for the on-behalf payments that the paying government makes classified in the same manner that it classifies similar cash grants to other entities?
[GASB 24, par. 13 (GASB Cod. Sec. G50.135)] | _____ | _____ | _____ |
| 17. If there are two legally separate entities that are the parties to a transaction involving on-behalf payments for fringe benefits and salaries and they are part of the same governmental reporting entity, are revenue and expenditures or expenses relating to these intra-reporting entity transactions reclassified as operating transfers, based on the amount recognized as revenue by the employer entity?
[GASB 24, par. 14 (GASB Cod. Sec. N50.136)] | _____ | _____ | _____ |

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
Food Stamps			
18. If the entity is a state government, does it recognize distributions of food stamp benefits as revenue and expenditures in the general or special revenue fund when the benefits are distributed to the individual recipients by the state government or its agents, measured based on the face value of the stamps? [GASB 24, par. 6 and fn. 4 (GASB Cod. Sec. F60.101 and fn. 3)]	_____	_____	_____
19. Are food stamp balances held by a state government or by its agents at the balance-sheet date reported:			
a. As an asset offset by deferred revenue?	_____	_____	_____
b. Measured based on face value?	_____	_____	_____
c. Not reported as cash or cash equivalents? [GASB 24, par. 6 and fn. 5 (GASB Cod. Sec. F60.101 and fn. 3)]	_____	_____	_____
I. Joint Costs That Include Fund Raising			
1. If the entity allocates joint costs among fund raising and other functions, are the following disclosures made:			
a. The types of activities for which joint costs have been incurred?	_____	_____	_____
b. A statement that such costs have been allocated?	_____	_____	_____
c. The total amount allocated during the period and the portion allocated to each functional expense category?	_____	_____	_____
d. The amount of joint costs for each kind of joint activity? [SOP 98-2, pars. 18 and 19]	_____	_____	_____
J. Contingencies and Commitments (See also Sections W, Risk Financing and Related Financing Issues—Public Entity Risk Pools, and X, Risk Financing and Related Financing Issues—Entities Other Than Risk Pools)			
1. Does the entity apply the criteria of SFAS 5 for recognizing a loss liability resulting from all claims that result from actions not included in the scope of GASB Cod. Sec. C50, including contractual actions (such as claims for delays or inadequate specifications on contracts guarantees of the indebtedness of others, property tax appeals, and unemployment compensation claims)? [NCGA 4, pars. 9 and 14, as amended by GASB 10 (GASB Cod. Sec. C50.146)]	_____	_____	_____
2. For loss contingencies not accrued, do disclosures indicate:			
a. The nature of contingency?	_____	_____	_____
b. An estimate of possible loss or range of loss, or a statement that such estimate cannot be made? [GASB 10, par. 58 (GASB Cod. Sec. C50.115)]	_____	_____	_____
3. Are guarantees of the entity disclosed in the financial statements, even if the possibility of default is remote, including situations in which the entity is contingently liable for proprietary fund or trust fund indebtedness? [SFAS 5, par. 12; FASBI 34, pars. 2 and 3 (AC C59.113 and .114); AAG-SLG, par. 11.32; NCGA 1, par. 46, as amended by NCGAI 6 (GASB Cod. Sec. 1500.110)]	_____	_____	_____
4. Are any moral obligations assumed by the entity disclosed? [AAG-SLG, par. 11.32]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
5. Are the following disclosed for conduit debt obligations:			
a. A general description of the conduit debt transactions?	_____	_____	_____
b. The aggregate amount of all conduit debt obligations outstanding at the balance sheet date?	_____	_____	_____
c. A clear indication that the issuer has no obligation for the debt beyond the resources provided by related leases or loans? [GASBI 2, par. 3 (GASB Cod. Sec. C65.102)]	_____	_____	_____
6. For unconditional purchase obligations not recorded on the entity's balance sheet, are 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) (e.g., 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)]	_____	_____	_____
7. Is disclosure made of conditions that raise a question about the entity's ability to continue in existence for a reasonable period of time, and viable plans to overcome these difficulties? [SAS 59, par. 10 (AU 341.10); AAG-SLG, par. 17.12]	_____	_____	_____
8. If appropriations lapse at year end, even if encumbered, and the governmental unit intends to honor them, are the outstanding encumbrances at year-end disclosed in the notes to the financial statements or by a reservation of fund balance? [NCGA 1, par. 91 (GASB Cod. Sec. 1700.129d)]	_____	_____	_____
9. Are gain contingencies adequately disclosed (with care to avoid any misleading implications about likelihood of realization)? [SFAS 5, par. 17 (AC C59.118)]	_____	_____	_____
10. Is disclosure made of unused letters of credit, assets pledged as security for loans, and commitments? [SFAS 5, pars. 18 and 19 (AC C59.120)]	_____	_____	_____
11. Is disclosure made of construction commitments? [NCGA 1, par. 158, NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106k)]	_____	_____	_____
12. If intergovernmental grant revenues are subject to adjustment (for example, if significant questioned costs may be identified in a grant compliance audit), has the entity considered whether a loss contingency exists and, if so, if a liability recorded or additional disclosure made? [AAG-SLG, par. 8.24]	_____	_____	_____

K. Subsequent Events

1. Are the financial statements adjusted for any changes in estimates resulting from subsequent events that provide additional evidence about conditions that existed at the balance-sheet date? [NCGA 4, pars. 9 and 14, as amended by GASB 10 (GASB Cod Sec. C50.146); GASB 10, par. 53 (GASB Cod. Sec. C50.110); SFAS 5, par. 8 (AC C59.105); SAS 1, sec. 560.03, .04, and .07 (AU 560.03, .04, and .07)]	_____	_____	_____
---	-------	-------	-------

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 2. Are subsequent events that provide evidence of conditions that did not exist at the balance-sheet date, but arose subsequent to that date, adequately disclosed?
[NCGA 1, par. 158; NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106); SFAS 5, par. 11 (AC C59.112); SAS 1, sec. 560.05-.07 and .09 (AU 560.05-.07 and .09)] | _____ | _____ | _____ |
| 3. If disclosure is made for a contingency from a subsequent event, do the notes indicate the nature of the loss or loss contingency and give an estimate of the amount or range of loss or possible loss or state that such estimate cannot be made?
[GASB 10, par. 80 (GASB Cod. Sec. C50.145)] | _____ | _____ | _____ |

L. Related-Party Transactions

- | | | | |
|--|-------|-------|-------|
| 1. Are the nature and extent of any leasing transactions with related parties disclosed?
[NCGA 5, par. 27 (GASB Cod. Sec. L20.129); SFAS 13, par. 29 (AC L10.125)] | _____ | _____ | _____ |
| 2. 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)? | _____ | _____ | _____ |
| b. A description of the transactions, including transactions to which no amounts or nominal amounts are ascribed, for each of the periods for which an operating statement 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 an operating statement is 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?
[NCGAI 6, par. 5 (GASB Cod. Sec. 2300.107g); SFAS 57, pars. 2-4 (AC R36.102-.104); SAS 45, par. 11 (AU 334.11 and .12); AAG-SLG, par. 17.06] | _____ | _____ | _____ |
| 3. Does the entity disclose the nature of its accountability for related organizations?
[GASB 14, par. 68 (GASB Cod. Sec. 2600.131)] | _____ | _____ | _____ |
| 4. If the entity is a related organization, does it disclose the primary government that is accountable for it and describe its relationship with that primary government?
[GASB 14, par. 68 (GASB Cod. Sec. 2600.131)] | _____ | _____ | _____ |

M. Component Units³

- | | | | |
|--|--|--|--|
| 1. Is a component unit included in the reporting entity's financial statements using the blending method only if either of these circumstances is met: | | | |
|--|--|--|--|

³ The requirements discussed in this section should be applied in the separately issued financial statements of a governmental component unit as if it were a primary government. [GASB 14, par. 65 (GASB Cod. Sec. 2600.128)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
a. The component unit's governing body is substantively the same as the governing body of the primary government?	_____	_____	_____
b. The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it? [GASB 14, par. 53 (GASB Cod. Sec. 2600.116)]	_____	_____	_____
2. Has the entity used the discrete presentation method to present component units that do not meet the criteria for blending? [GASB 14, par. 44 (GASB Cod. Sec. 2600.107)]	_____	_____	_____
3. If the intent of the primary government in obtaining a majority of the voting stock of a for-profit corporation is to directly enhance its ability to provide governmental services (rather than just as an investment), is the corporation presented as a component unit (rather than as an investment)? [GASB 14, par. 55 (GASB Cod. Sec. 2600.118)]	_____	_____	_____
4. If component units are included in the financial reporting entity by discrete presentation, does the reporting entity's combined balance sheet include one or more columns to display the combined balance sheets of the component units? [GASB 14, par. 44 (GASB Cod. Sec. 2600.107)]	_____	_____	_____
5. Does the reporting entity's combined statement of revenues, expenditures, and changes in fund balance—governmental funds include one or more columns to display the revenues, expenditures, and changes in fund balances for discretely presented component units that use governmental fund accounting? [GASB 14, par. 45 (GASB Cod. Sec. 2600.108)]	_____	_____	_____
6. Does the reporting entity's combined statement of revenues, expenses, and changes in retained earnings/fund balances or fund equity and combined statement of cash flows include one or more columns to display the activities of discretely presented component units that use proprietary fund accounting? [GASB 14, par. 46 (GASB Cod. Sec. 2600.109)]	_____	_____	_____
7. Are the discrete column(s) located to the right of the financial data of the primary government, distinguishing between the financial data of the primary government and those of the discretely presented component units by providing descriptive column headings? [GASB 14, pars. 44–46 (GASB Cod. Sec. 2600.107–.109)]	_____	_____	_____
8. If a component unit that uses both governmental and proprietary methods uses a single operating statement approach (all operations are included in one statement), are the results of its operations using the other method of accounting reduced to a single amount and presented as a separate line item, such as "Net income from proprietary operations" or "Excess of revenues over expenditures from governmental operations"? [GASB 14, par. 47 (GASB Cod. Sec. 2600.110)]	_____	_____	_____
9. Do the reporting entity's financial statements for discretely presented component units that use the AICPA Industry Audit Guide <i>Audits of Colleges and Universities</i> , include a statement of changes in fund			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
balances and a statement of current funds revenues, expenditures, and other changes? [GASB 14, par. 48 (GASB Cod. Sec. 2600.111)]	_____	_____	_____
10. Are the legally adopted, appropriated budgets of the governmental funds of blended component units presented in the combined statement of revenues, expenditures, and changes in fund balances—budget and actual? [GASB 14, par. 56 (GASB Cod. Sec. 2600.119)]	_____	_____	_____
11. Is certain information disclosed about each major component unit included in the component units column(s) in the GPFS by either (a) including the required combining statements in the reporting entity’s GPFS or (b) by presenting condensed financial statements in the notes to the reporting entity’s financial statements? [GASB 14, par. 51 (GASB Cod. Sec. 2600.114)]	_____	_____	_____
12. If the condensed financial statement disclosure approach is taken, are the following details separately presented for each major component unit and the aggregate of nonmajor component units:			
a. Condensed balance sheet:			
(1) Current assets (amounts due from the primary government and other component units should be separately identified)?	_____	_____	_____
(2) Property, plant, and equipment (including general fixed assets)?	_____	_____	_____
(3) Amounts to be provided (and available) for the retirement of general long-term debt?	_____	_____	_____
(4) Current liabilities (amounts due to the primary government and other component units should be separately identified)?	_____	_____	_____
(5) Bonds and other long-term liabilities outstanding (amounts due to the primary government and other component units should be separately identified)? [GASB 14, par. 51 (GASB Cod. Sec. 2600.114)]	_____	_____	_____
b. Condensed statements of revenues, expenses, and changes in equity for component units that use proprietary fund accounting:			
(1) Operating revenues (total revenues from sales of goods or services) (with sales to the primary government and other component units separately identified)?	_____	_____	_____
(2) Operating expenses (with depreciation, depletion, and amortization expense separately identified)?	_____	_____	_____
(3) Operating income or loss (operating revenues less operating expenses)?	_____	_____	_____
(4) Operating grants, entitlements, and shared revenues?	_____	_____	_____
(5) Transfers to/from the primary government and other component units?	_____	_____	_____
(6) Tax revenues?	_____	_____	_____
(7) Net income or loss (total revenues less total expenses)?	_____	_____	_____
(8) Current capital contributions? [GASB 14, par. 51 (GASB Cod. Sec. 2600.114)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. Condensed statements of revenues, expenditures, and changes in fund balances for component units that use governmental fund accounting:			
(1) Revenues?	_____	_____	_____
(2) Current expenditures?	_____	_____	_____
(3) Capital outlay expenditures?	_____	_____	_____
(4) Debt service expenditures?	_____	_____	_____
(5) Transfers to/from the primary government and other component units?	_____	_____	_____
(6) Excess (deficiency) of revenues and expenditures? [GASB 14, par. 51 (GASB Cod. Sec. 2600.114)]	_____	_____	_____
13. Is the general fund of the reporting entity the general fund of the primary government? [GASB 14, par. 54 (GASB Cod. Sec. 2600.117)]	_____	_____	_____
14. Is the general fund of a blended component reported as a special revenue fund? [GASB 14, par. 54 (GASB Cod. Sec. 2600.117)]	_____	_____	_____
15. Are transfers between the primary government and its component units reported as required by GASB Cod. Sec. 1800.102-.107 for inter-fund transfers, except that transfers between the primary government and its discretely presented component units are reported separately from interfund transfers (for example, as transfers to/from component units)? [GASB 14, par. 57 (GASB Cod. Sec. 2600.120)]	_____	_____	_____
16. Are receivables and payables between the primary government and its component units reported in the same manner as amounts due to and from other funds, except that receivables and payables between the primary government and its discretely presented component units are reported separately from interfund balances (for example, as due to/from component units)? [GASB 14, par. 57 (GASB Cod. Sec. 2600.120)]	_____	_____	_____
17. Are lease arrangements between the primary government and blended component units (or between blended component units) eliminated as provided in GASB Cod. Sec. L20.125? [GASB 14, par. 58 (GASB Cod. Sec. 2600.121)]	_____	_____	_____
18. Are capital lease arrangements between the primary government and discretely presented components reported as capital lease transactions? a. Are the capital lease-related receivables and payables reported separately from other amounts due to or from component units and separately from capital lease receivables and payables from organizations outside the reporting entity? [GASB 14, par. 58 (GASB Cod. Secs. 2600.121 and L20.126)]	_____	_____	_____
19. If a common fiscal year-end is impractical for the primary government and its component units, does the reporting entity (which reports using the primary government's fiscal year) incorporate financial statements for the component unit's fiscal year-end during the reporting entity's fiscal year or within the first quarter of the reporting entity's subsequent fiscal year? [GASB 14, par. 59 (GASB Cod. Sec. 2600.122)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
20. If transactions between component units that have different fiscal year ends result in inconsistencies in amounts reported as due to or due from, transfer to or transfer from, and so forth, is the nature and amount of those transactions disclosed? [GASB 14, par. 60 (GASB Cod. Sec. 2600.123)]	_____	_____	_____
21. Is the fiscal year of the component units included in the reporting entity consistent from year to year, and changes in fiscal years disclosed? [GASB 14, par. 60 (GASB Cod. Sec. 2600.123)]	_____	_____	_____
22. Are note disclosures that are essential to the fair presentation of the reporting entity made for individual discretely presented component units considering both (a) the unit's significance relative to the total discretely presented component units and (b) the nature and significance of the unit's relationship to the primary government? [GASB 14, par. 63 (GASB Cod. Sec. 2600.126)]	_____	_____	_____
23. For separate financial statements for a component unit, do the notes acknowledge and describe the relationship of the component unit to the primary government? [GASB 14, par. 65 (GASB Cod. Sec. 2600.128)]	_____	_____	_____

N. Joint Ventures and Jointly Governed Organizations

1. For proprietary funds that participate in joint ventures in which there is an equity interest:			
a. Does the "investment in joint venture" account report the entity's equity interest calculated in accordance with the joint venture agreement?	_____	_____	_____
b. Is the equity interest reported in the proprietary fund's balance sheet as a single amount?	_____	_____	_____
c. Is the fund's share of the joint venture's net income or loss reported in its operating statement as a single amount? [GASB 14, par. 73 (GASB Cod. Sec. J50.106)]	_____	_____	_____
2. For governmental funds that participate in joint ventures in which there is an equity interest:			
a. Is all or a portion of the equity interest reported in the GFAAG, calculated in accordance with the joint venture agreement?	_____	_____	_____
b. Is the amount reported in the GFAAG the total equity adjusted for any portion of the equity interest that is included in the balance sheet of the governmental fund?	_____	_____	_____
c. Do governmental fund operating statements report changes in joint venture equity only to the extent that the amounts received or receivable from the joint venture or the amounts paid or payable to the joint venture satisfy the revenue or expenditure recognition for governmental funds? [GASB 14, par. 74 (GASB Cod. Sec. J50.107)]	_____	_____	_____
3. For all joint ventures and for jointly governed organizations in which the entity has an ongoing financial interest or responsibility, does the entity disclose a general description, including:			

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
a. A description of the participating government’s ongoing financial interest (including its equity interest, if applicable) or ongoing financial responsibility?	_____	_____	_____
b. Enough information to allow the reader to evaluate whether the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit or burden on the participating government in the future?	_____	_____	_____
c. Information about the availability of separate financial statements of the joint venture?	_____	_____	_____
d. Disclosure of any other information required for related-party transactions? [GASB 14, pars. 75 and 77 (GASB Cod. Sec. J50.108 and .110)]	_____	_____	_____
4. For all jointly governed organizations in which the entity does not retain an ongoing financial interest or responsibility in the organization, has the entity disclosed information required for related-party transactions? [GASB 14, par. 77 (GASB Cod. Sec. J50.110)]	_____	_____	_____
5. For joint building or finance authorities, if the capital assets are leased back to the participating government, does the government report its respective shares of the assets, liabilities, and operations of the joint venture by using capital lease accounting rather than by reporting a participant’s equity interest (if any) in the joint authority? [GASB 14, par. 76 (GASB Cod. Sec. J50.109)]	_____	_____	_____
O. Component Units and Related Organizations With Joint Venture Characteristics			
1. If another organization has joint venture characteristics but meets the component unit or related organization criteria, does the entity report that organization as a component unit or related organization in the entity’s financial statements?	_____	_____	_____
2. Does the other organization itself, when included as a component unit in the majority participant’s financial reporting entity, report any equity interests of the minority participants as fund balance or retained earnings “reserved for minority interests”?	_____	_____	_____
3. If the entity is a minority participant in an organization with joint venture characteristics, does it disclose the nature of its participation in the organization? [GASB 14, par. 78 (GASB Cod. Sec. J50.111)]	_____	_____	_____
P. Undivided Interests			
1. Does a government that participates in an undivided interest (no entity or organization is created by the participants and two or more parties own property in which title is held individually to the extent of each party’s interest) report its assets, liabilities, expenditures/ expenses, and revenues that are associated with the joint operation?	_____	_____	_____
2. If a separate organization is created but there is an undivided interest in specific assets and liabilities and equity interests in the other net resources of the organization (a hybrid arrangement), does the participant report its undivided interest as provided in Step 1 above and its equity interest in accordance with the provisions of GASB Cod. Sec. J50.106 and .107? [GASB 14, par. 80 (GASB Cod. Sec. J50.113)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
Q. Defined Benefit Pension Plans⁴			
1. Does the financial report of a defined benefit pension plan include:			
a. A statement of plan net assets?	_____	_____	_____
b. A statement of changes in plan net assets?	_____	_____	_____
c. A schedule of funding progress?	_____	_____	_____
d. A schedule of employer contributions? [GASB 25, par. 19 (GASB Cod. Sec. Pe5.111)]	_____	_____	_____
2. Are plan assets subdivided into:			
a. The major categories of assets held (for example, cash and cash equivalents, receivables, investments, and assets used in plan operations)?	_____	_____	_____
b. The principal components of the receivables and investments categories? [GASB 25, par. 21 (GASB Cod. Sec. Pe5.113)]	_____	_____	_____
3. Are plan receivables for contributions from the employer(s), plan members, and other contributors include those due pursuant to formal commitments as well as statutory or contractual requirements, including those due more than one year after the reporting date pursuant to, for example, installment contracts? [GASB 25, pars. 22 and 23 (GASB Cod. Sec. Pe5.114 and .115)]	_____	_____	_____
4. Are plan investments reported as follows:			
a. At their fair value (excluding insurance contracts and certain interest-earning investment contracts)?	_____	_____	_____
b. Unallocated insurance contracts at contract value?	_____	_____	_____
c. Allocated insurance contracts excluded from plan assets? [GASB 25, par. 24; GASB 31, par. 4 (GASB Cod. Sec. Pe5.116)]	_____	_____	_____
5. If a plan has purchased put option contracts or written call option contracts on securities and it has those same securities among its investments, has it considered those contracts in determining the fair value of those securities to the extent that it does not report those contracts at fair value? [GASB 31, pars. 4 and 7 (GASB Cod. Sec. I50.103 and .105)]	_____	_____	_____
6. Are plan assets used in plan operations reported at historical cost less accumulated depreciation or amortization? [GASB 25, par. 25 (GASB Cod. Sec. Pe5.117)]	_____	_____	_____
7. Are plan liabilities for benefits and refunds due to plan members and beneficiaries recognized when due and payable in accordance with the terms of the plan? [GASB 25, par. 26 (GASB Cod. Sec. Pe5.118)]	_____	_____	_____
8. Are benefits payable from contracts excluded from plan assets for which payments to the insurance company have been made excluded from plan liabilities? [GASB 25, par. 26 (GASB Cod. Sec. Pe5.118)]	_____	_____	_____

⁴ The provisions of this section apply separately to each defined benefit pension plan administered and apply at the aggregate plan level for each agent multiple-employer plan administered. See GASB 25, par. 16 (Pe5.108), for determining whether there is more than one plan. [GASB 25, par. 15 (GASB Cod. Sec. Pe5.107)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
9. Is the difference between total plan assets and total plan liabilities at the reporting date:			
a. Captioned "net assets held in trust for pension benefits"? ⁵	_____	_____	_____
b. Followed by a parenthetical reference to the plan's schedule of funding progress? [GASB 25, par. 27 (GASB Cod. Sec. Pe5.119)]	_____	_____	_____
10. Is the statement of changes in plan net assets presented in two principal sections—"additions" and "deductions"— and the difference between total additions and deductions reported as the "net increase (or decrease)" for the year in plan net assets? [GASB 25, par. 28 (GASB Cod. Sec. Pe5.120)]	_____	_____	_____
11. Does the additions section of the statement of changes in plan net assets include the information in these four categories, separately displayed:			
a. Contributions from the employer(s)?	_____	_____	_____
b. Contributions from plan members, including those transmitted by the employer(s)?	_____	_____	_____
c. Contributions from sources other than the employer(s) and plan members?	_____	_____	_____
d. Net investment income, including:			
(1) the net appreciation (depreciation) in the fair value of plan investments?	_____	_____	_____
(2) interest income, dividend income, and other income not included in (1)? ⁶	_____	_____	_____
(3) total investment expense, separately displayed, including investment management and custodial fees and all other significant investment-related costs? [GASB 25, par. 29 (GASB Cod. Sec. Pe5.121)]	_____	_____	_____
12. Does the deductions section of the statement of changes in plan net assets include through a separate display:			
a. Benefits and refunds paid to plan members and beneficiaries?	_____	_____	_____
b. Total administrative expense? [GASB 25, par. 30 (GASB Cod. Sec. Pe5.122)]	_____	_____	_____
13. Do benefits paid not include payments made by an insurance company in accordance with a contract that is excluded from plan assets? (Amounts paid by the plan to an insurance company pursuant to such a contract, including purchases of annuities with amounts allocated from existing investments with the insurance company, should be included in benefits paid.) [GASB 25, par. 31 (GASB Cod. Sec. Pe5.123)]	_____	_____	_____
14. Do the notes to the financial statements of a defined benefit pension plan include the following disclosures when the financial statements are presented in a stand-alone plan financial report or solely in the financial report of an employer (pension trust fund)?	_____	_____	_____

⁵ When a plan's financial statements are included in the financial report of the employer or sponsor, this amount should be captioned "fund balance reserved for employees' pension benefits." [GASB 25, fn. 9 (GASB Cod. Sec. Pe5, fn. 10)]

⁶ Components (1) and (2) of net investment income may be separately displayed or combined and reported as one amount. [GASB 25, fn. 11 (GASB Cod. Sec. Pe5, fn. 12)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<i>a.</i> A plan description, including:			
(1) Identification of the plan as a single-employer, agent multiple-employer, or cost-sharing multiple-employer defined benefit pension plan and disclosure of the number of participating employers and other contributing entities?	_____	_____	_____
(2) Classes of employees covered (for example, general employees and public safety employees) and the current membership, including the number of retirees and beneficiaries currently receiving benefits, terminated members entitled to but not yet receiving benefits, and current active members? (If the plan is closed to new entrants, that fact should be disclosed.)	_____	_____	_____
(3) Brief description of benefit provisions, including the types of benefits, the provisions or policies with respect to automatic and ad hoc postretirement benefit increases, and the authority under which benefit provisions are established or may be amended?	_____	_____	_____
<i>b.</i> A summary of significant accounting policies, including:			
(1) Basis of accounting, including the policy with respect to the recognition in the financial statements of contributions, benefits paid, and refunds paid?	_____	_____	_____
(2) Brief description of how the fair value of investments is determined?	_____	_____	_____
<i>c.</i> Contributions and reserves, including:			
(1) Authority under which the obligations to contribute to the plan of the plan members, employer(s), and other contributing entities are established or may be amended?	_____	_____	_____
(2) Funding policy, including a brief description of how the contributions of the plan members, employer(s), and other contributing entities are determined (for example, by statute, through an actuarial valuation, or in some other manner) and how the costs of administering the plan are financed?	_____	_____	_____
(3) Required contribution rates of active plan members, in accordance with the funding policy?	_____	_____	_____
(4) A brief description of the terms of any long-term contracts for contributions to the plan and disclosure of the amounts outstanding at the reporting date?	_____	_____	_____
(5) The balances in the plan's legally required reserves at the reporting date? (Amounts of net assets designated by the plan's board of trustees or other governing body for a specific purpose(s) also may be disclosed but should be captioned designations, rather than reserves.)	_____	_____	_____
(6) A brief description of the purpose of each reserve and designation disclosed and whether the reserve is fully funded?	_____	_____	_____
<i>d.</i> Identification of concentrations in investments (other than those issued or guaranteed by the U.S. government) in any one organization that represent 5 percent or more of plan net assets? [GASB 25, par. 32 (GASB Cod. Sec. Pe5.124)]	_____	_____	_____
<i>e.</i> The investment disclosures required by GASB Cod. Sec. I50.119? [GASB 31, par. 15 (GASB Cod. Sec. I50.119)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
15. If realized gains and losses are disclosed in the notes to financial statements, do the amounts disclosed include all realized gains and losses for the year and does the disclosure state that (a) the calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments and (b) unrealized gains and losses on investments sold in the current year that had been held for more than one year were included in the net appreciation (depreciation) reported in the prior year(s) and the current year? [GASB 25, fn. 10 (GASB Cod. Sec. Pe5, fn. 11)]	_____	_____	_____
16. If a plan’s financial statements are presented in both an employer’s report and a publicly available stand-alone plan financial report that complies with GASB 25, and limits its pension trust fund disclosures to those required by Steps 14.a.(1), 14.b, 14.c.(4), and 14.d above, is there disclosure information about how to obtain the stand-alone plan financial report? [GASB 25, par. 32 (GASB Cod. Sec. Pe5.124)]	_____	_____	_____
17. Except as provided in Steps 18–20 below, are the schedules of funding progress and employer contributions presented immediately after the notes to financial statements for all years required? ⁷ [GASB 25, par. 33 (GASB Cod. Sec. Pe5.125)]	_____	_____	_____
18. If the plan uses the aggregate actuarial cost method in accordance with the parameters in GASB 25 and thus exempt from presenting a schedule of funding progress, does it disclose that it uses the aggregate method? [GASB 25, fn. 17 (GASB Cod. Sec. Pe5, fn. 18)]	_____	_____	_____
19. If the financial statements of a cost-sharing or agent plan are included in the employer’s report, do the notes to financial statements disclose how to obtain the stand-alone plan financial report that includes the schedules of funding progress and employer contributions? ⁸ [GASB 25, par. 34 (GASB Cod. Sec. Pe5.126)]	_____	_____	_____
20. If the financial statements of a single-employer plan are included in the employer’s report, are the following disclosed: ⁹			
a. The availability of the stand-alone plan report?	_____	_____	_____
b. The information required for the schedule of funding progress for the three most recent actuarial valuations? [GASB 25, par. 34 (GASB Cod. Sec. Pe5.126)]	_____	_____	_____
21. Does the schedule of funding progress include the following information for each of the past six consecutive fiscal years of the plan:			
a. The actuarial valuation date?	_____	_____	_____
b. The actuarial value of plan assets?	_____	_____	_____

⁷ For the transition year and the following five years, the schedules should include information for the current year and as many of the prior years as information according to the parameters of paragraphs 35 and 36 of GASB 25 is available. The schedules should not include information that does not meet the parameters. Also, plans may elect to report the information specified for one or both of the required schedules in (a) a statement of funding progress and/or a statement of employer contributions presented in addition to and separate from the statement of plan net assets and statement of changes in plan net assets or (b) the notes to the financial statements. [GASB 25, par. 39 and fn. 18 (GASB Cod. Sec. Pe5.131 and fn. 19)]

⁸ If these conditions are met, neither schedule is required to be presented in the employer’s report.

⁹ See footnote 8.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. The actuarial accrued liability?	_____	_____	_____
d. The total unfunded actuarial liability?	_____	_____	_____
e. The actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio)?	_____	_____	_____
f. The annual covered payroll?	_____	_____	_____
g. The ratio of the unfunded actuarial liability to annual covered payroll? [GASB 25, par. 37 (GASB Cod. Sec. Pe5.129)]	_____	_____	_____
22. Is all information presented in the schedule of funding progress presented as of the actuarial valuation date? [GASB 25, par. 37 (GASB Cod. Sec. Pe5.129)]	_____	_____	_____
23. Does the schedule of employer contributions include the following information for each of the past six consecutive fiscal years of the plan:			
a. The dollar amount of the ARC applicable to that year?	_____	_____	_____
b. The percentage of that ARC that was recognized in the plan's statement of changes in plan net assets for that year as contributions from the employer(s)? [GASB 25, par. 38 (GASB Cod. Sec. Pe5.130)]	_____	_____	_____
24. If the plan's funding policy includes contributions from sources other than plan members and employer(s), are the required contributions of those other contributing entities and the percentage recognized included in the schedule, which is then appropriately titled to indicate that it includes contributions from non-employer entities? [GASB 25, par. 38 (GASB Cod. Sec. Pe5.130)]	_____	_____	_____
25. Do the following note disclosures accompany the schedules of required supplementary information:			
a. Identification of the actuarial methods and significant assumptions used for the most recent year reported in the required schedules, including:			
(1) The actuarial cost method?	_____	_____	_____
(2) The method(s) used to determine the actuarial value of assets?	_____	_____	_____
(3) The assumptions with respect to the inflation rate, investment return, projected salary increases, and postretirement benefit increases?	_____	_____	_____
(4) The amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent actuarial valuation and whether the period is closed or open? (Plans that use the aggregate actuarial cost method should disclose that the method does not identify or separately amortize unfunded actuarial liabilities.)	_____	_____	_____
b. Factors that significantly affect the identification of trends in the amounts reported in the required schedules, including, for example, changes in benefit provisions, the size or composition of the population covered by the plan, or the actuarial methods and assumptions used? [GASB 25, par. 40 (GASB Cod. Sec. Pe5.132)]	_____	_____	_____

Yes No N/A

R. Defined Contribution Pension Plans

1. Do the notes to the financial statements of the plan include the following disclosures when the financial statements are presented in a stand-alone report or solely in the financial report of an employer:

a. A plan description, including:

(1) Identification of the plan as a defined contribution plan and disclosure of the number of participating employers and other contributing entities? _____

(2) Classes of employees covered (for example, general employees, public safety employees) and the total current membership? _____

(3) Brief description of plan provisions and the authority under which they are established or may be amended? _____

(4) Contribution requirements (for example, the contribution rates in dollars or as a percentage of salary) of the plan members, employer(s), and other contributing entities and the authority under which the requirements are established or may be amended? _____

b. A summary of significant accounting policies, including the basis of accounting, fair value of plan assets (unless plan assets are reported at fair value), and a brief description of how the fair value is determined? _____

c. Identification of concentrations in investments (other than those issued or guaranteed by the U.S. government) in any one organization that represent 5 percent or more of plan net assets? [GASB 25, par. 41 (GASB Cod. Sec. Pe6.104)] _____

2. When a plan's financial statements are presented in both an employer's report and a publicly available stand-alone plan financial report that includes all disclosures indicated in Step 1 above, and the employer limits its plan disclosures to those in Steps 1.a.(1), 1.b, and 1.c, has the employer disclosed information about how to obtain the stand-alone plan financial report? [GASB 25, par. 41 (GASB Cod. Sec. Pe6.104)] _____

S. Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans

1. For a defined benefit pension plan that administers a postemployment healthcare plan, does the financial report of the defined benefit pension plan include the following prepared in accordance with the pension plan reporting standards of GASB 25:

a. A statement of postemployment healthcare plan net assets? _____

b. A statement of changes in postemployment healthcare plan net assets? _____

c. Notes to the financial statements that also include a brief description of the eligibility requirements for postemployment healthcare benefits and the required contribution rate(s) of the employer(s)? [GASB 26, par. 7 (GASB Cod. Sec. Po50.105)] _____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
2. Is all required financial statement information for pensions and healthcare presented in separate columns of combining financial statements? ¹⁰ [GASB 26, par. 7 (GASB Cod. Sec. Po50.105)]	_____	_____	_____
3. Although not required, if supplementary information (the schedules of funding progress and employer contributions and the related note disclosures) is reported for the postemployment healthcare plan, does it include all information that is required for the pension plan and is it presented separately either in separate healthcare schedules or in separate columns of combining pension and healthcare schedules? [GASB 26, par. 8 (GASB Cod. Sec. Po50.106)]	_____	_____	_____
a. Does the plan disclose the methods and assumptions used in preparing the supplementary information?	_____	_____	_____
b. Does the plan disclose the healthcare inflation assumption for the most recent year reported in the supplementary schedules? [GASB 26, par. 9 (GASB Cod. Sec. Po50.107)]	_____	_____	_____

T. Employers' Accounting for Pensions¹¹

Single Employer and Agent Multiple Employer Defined Benefit Pension Plans

1. Is the annual required contributions of the employer (ARC) reported for the current year for each plan based on the results of an actuarial valuation performed in accordance with the parameters as of a date not more than 24 months before the beginning of the employer's fiscal year (first fiscal year, if actuarial valuations are biennial)? ¹² [GASB 27, par. 9 (GASB Cod. Sec. P20.106)]	_____	_____	_____
2. Are the actuarial methods and assumptions applied for employer financial reporting the same methods and assumptions applied in determining the plan's funding requirements, unless compliance with GASB 27, paragraph 10, requires the use of different methods or assumptions? [GASB 27, par. 10 (GASB Cod. Sec. P20.107)]	_____	_____	_____
3. Are pension expenditures from governmental and expendable trust funds recognized on the modified accrual basis? [GASB 27, par. 16 (GASB Cod. Sec. P20.113)]	_____	_____	_____

¹⁰ When the defined benefit pension plan is included in the financial reporting entity of the sponsor or employer (pension trust fund), combining statements of pension plan net assets and postemployment healthcare plan net assets are not required. However, the fund balance of the combined statement for the pension trust fund should be subdivided and reported as, respectively, fund balance reserved for employees' pension benefits and fund balance reserved for employees' postemployment healthcare benefits. The net increase or decrease for the year in net assets should be similarly subdivided in the combined statement of changes in plan net assets. [GASB 26, fn. 4 (GASB Cod. Sec. Po50, fn. 4)]

¹¹ Some governmental entities are legally responsible for contributions to pension plans that cover the employees of another governmental entity or entities. In those cases, the entity that is legally responsible for the contributions should comply with all applicable provisions of GASB 27 for measurement and recognition of expenditures/expense, liabilities, assets, note disclosures, and required supplementary information. If the plan is a defined benefit pension plan and the entity with legal responsibility for contributions is the only contributing entity, the requirements of GASB 27 for single employer defined benefit pension plans apply, regardless of the number of entities whose employees are covered by the plan. [GASB 27, par. 28 (GASB Cod. Sec. P20.125)]

¹² Even if the valuation is not more than 24 months old, a new valuation should be performed if significant changes have occurred since the previous valuation in benefit provisions, the size or composition of the population covered by the plan, or other factors that affect the results of the valuation. [GASB 27, par. 9 (GASB Cod. Sec. P20.106)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. If the amount of pension expenditures recognized for the year in relation to the ARC is less than (greater than) annual pension cost, is the difference added to (deducted from) the NPO, with a positive year-end balance in the NPO reported in the GLTDAG as the year-end liability in relation to the ARC and a negative year-end balance reducing a previously reported liability to zero? [GASB 27, par. 16 (GASB Cod. Sec. P20.113)]	_____	_____	_____
5. Are pension expenses of proprietary and similar trust funds and all other entities that apply proprietary fund accounting recognized on the accrual basis, equal to annual pension cost, with the NPO adjusted for any difference between contributions made and pension expense and a positive (negative) year-end balance in the NPO recognized as the year-end liability (asset) in relation to the ARC? [GASB 27, par. 17 (GASB Cod. Sec. P20.114)]	_____	_____	_____
6. For colleges and universities that apply the AICPA College Guide model, are pension expenditures and related pension liabilities (assets) recognized on the accrual basis, consistent with Step 5, and generally charged to the unrestricted current fund? [GASB 27, par. 18 (GASB Cod. Sec. P20.115)]	_____	_____	_____
7. Is the following information included in the notes to the financial statements for each plan: ^{13,14}			
<i>a.</i> A plan description, including:			
(1) Name of the plan, identification of the public employee retirement system or other entity that administers the plan, and identification of the plan as a single-employer or agent multiple-employer defined benefit pension plan?	_____	_____	_____
(2) Brief description of the types of benefits and the authority under which benefit provisions are established or may be amended?	_____	_____	_____
(3) Whether the pension plan issues a stand-alone financial report, or is included in the report of a public employee retirement system or another entity, and, if so, how to obtain the report?	_____	_____	_____
<i>b.</i> The funding policy:			
(1) Authority under which the obligations to contribute to the plan of the plan members, employer(s), and other contributing entities (for example, state contributions to local government plans) are established or may be amended?	_____	_____	_____
(2) Required contribution rate(s) of active plan members?	_____	_____	_____
(3) Required contribution rate(s) of the employer in accordance with the funding policy, in dollars or as a percentage of current-year covered payroll? (If the rate differs significantly from the ARC, disclose how the rate is determined—for example, by statute or contract, or the plan is financed on a pay-as-you-go basis.)	_____	_____	_____

¹³ Disclosures for more than one plan should be combined in a manner that avoids unnecessary duplication. [GASB 27, par. 20 (GASB Cod. Sec. P20.117)]

¹⁴ GASB 25 includes the requirements for the notes to the financial statements (and schedules of required supplementary information, if applicable) of pension trust funds included in the employer's financial reports. When similar information is required by GASB 27 and GASB 25, the employer should present the disclosures in a manner that avoids unnecessary duplication. [GASB 27, fn. 15 (GASB Cod. Sec. P20, fn.15)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. For the current year, annual pension cost and the dollar amount of contributions made?	_____	_____	_____
d. If the employer has an NPO, the components of annual pension cost (ARC, interest on the NPO, and adjustment to the ARC), the increase or decrease in the NPO, and the NPO at the end of the year?	_____	_____	_____
e. For the current year and each of the two preceding years, annual pension cost, percentage of annual pension cost contributed that year, and NPO at the end of the year? ¹⁵	_____	_____	_____
f. Date of the actuarial valuation and identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the most current information in the required supplementary information in Step 8 below, including the actuarial cost method, the method(s) used to determine the actuarial value of assets, and the assumptions with respect to the inflation rate, investment return, projected salary increases, and postretirement benefit increases as well as the amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent actuarial valuation and whether the period is closed or open? ¹⁶ [GASB 27, pars. 20 and 21 (GASB Cod. Sec. P20.117 and .118)]	_____	_____	_____
8. Does the employer present as required supplementary information the following for the most recent actuarial valuation and the two preceding valuations, unless the aggregate actuarial cost method was used: ¹⁷			
a. The actuarial valuation date, the actuarial value of plan assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll?	_____	_____	_____
b. Factors that significantly affect the identification of trends in the amount reported, including, for example, changes in benefit provisions, the size or composition of the population covered by the plan, or the actuarial methods and assumptions used? [GASB 27, par. 22 (GASB Cod. Sec. P20.119)]	_____	_____	_____

Cost-Sharing Defined Benefit Pension Plans

9. Is the employer's annual pension expenditures/expense equal to its contractually required contributions to the plan, with the amount recognized on the modified accrual or accrual basis (whichever applies for the type of employer or for the fund type(s) used to report the employer's contributions) and pension liabilities and assets reported for the difference between contributions required and contributions made to each plan? [GASB 27, par. 19 (GASB Cod. Sec. P20.116)]	_____	_____	_____
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¹⁵ For the first two years, the required information should be presented for the transition year, and for the current and transition year, respectively. [GASB 27, par. 21 (GASB Cod. Sec. P20.118)]

¹⁶ If the aggregate actuarial cost method is used, the employer should disclose that the method does not identify or separately amortize unfunded actuarial liabilities. [GASB 27, par. 21 (GASB Cod. Sec. P20.118)]

¹⁷ Until three actuarial valuations have been performed in accordance with the parameters, the required information should be presented for as many years as it is available. [GASB 27, par. 22 (GASB Cod. Sec. P20.119)]

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 10. Is the following information included in the notes to the financial statements for each plan: | | | |
| a. Disclosures provided in Steps 7.a, 7.b.(1), and 7.b.(2), above? | _____ | _____ | _____ |
| b. The required employer contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years?
[GASB 27, par. 20 (GASB Cod. Sec. P20.117)] | _____ | _____ | _____ |

Insured Defined Benefit Pension Plans

- | | | | |
|--|-------|-------|-------|
| 11. Does the employer disclose the following: | | | |
| a. A brief description of the insured plan, including the benefit provisions and the authority under which benefit provisions are established or may be amended? | _____ | _____ | _____ |
| b. The fact that the obligation for the payment of benefits has been effectively transferred from the employer to one or more insurance companies and whether the employer has guaranteed benefits in the event of the insurance company's insolvency? | _____ | _____ | _____ |
| c. The current-year pension expenditures/expense and contributions or premiums paid?
[GASB 27, par. 23 (GASB Cod. Sec. P20.120)] | _____ | _____ | _____ |

Defined Contribution Pension Plans

- | | | | |
|---|-------|-------|-------|
| 12. Is the employer's annual pension expenditures/expense equal to its required contributions to the plan, in accordance to the terms of the plan, with the amount recognized on the modified accrual or accrual basis (whichever applies for the type of employer or for the fund type(s) used to report the employer's contributions) and pension liabilities and assets reported for the difference between contributions required and contributions made to each plan?
[GASB 27, par. 25 (GASB Cod. Sec. P20.121)] | _____ | _____ | _____ |
| 13. Is the following information disclosed for each defined contribution plan to which the employer is required to contribute: | | | |
| a. Name of the plan? | _____ | _____ | _____ |
| b. Identification of the public employee retirement system or other entity that administers the plan? | _____ | _____ | _____ |
| c. Identification of the plan as a defined contribution plan? | _____ | _____ | _____ |
| d. Brief description of the plan provisions and the authority under which they are established or may be amended? | _____ | _____ | _____ |
| e. Contribution requirements of the plan members, employer, and other contributing entities and the authority under which the requirements are established or may be amended? | _____ | _____ | _____ |
| f. The contributions actually made by plan members and the employer?
[GASB 27, par. 27 (GASB Cod. Sec. P20.123)] | _____ | _____ | _____ |

U. Postemployment Benefits Other Than Pensions

1. If the employer has elected to apply the measurement and recognition requirements of GASB 27 to postemployment healthcare benefits in a single employer or agent multiple employer plan, has it complied with the following requirements:

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
a. Provide the notes to financial statements required by GASB 27 instead of the note disclosures required by GASB 12?	_____	_____	_____
b. Disclose the healthcare inflation assumption?	_____	_____	_____
c. Disclose all information provided on postemployment healthcare benefits separately from information on pension benefits?	_____	_____	_____
d. If the postemployment healthcare benefits are administered through a defined benefit pension plan and both the plan and the employer provide the supplementary information about funded status and funding progress for postemployment healthcare assets and benefits as described in Step 3 in the previous section on Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans, is the information measured in the same manner by both entities? [GASB 27, par. 24 (GASB Cod. Sec. P50.106)]	_____	_____	_____
2. Except as addressed in Step 1, does an employer that provides other postemployment benefits (OPEB) disclose, at a minimum, the following information, either separately for one or more types of benefits or in the aggregate for all OPEB:			
a. A description of the OPEB provided; employee groups covered; eligibility requirements; and the employer and participant obligations to contribute, quantified in some manner (such as the approximate percentage of the total obligation to contribute that is borne by the employer and the participants respectively, or the dollar or percentage contribution rates)?	_____	_____	_____
b. A description of the statutory, contractual, or other authority under which OPEB provisions and obligations to contribute are established?	_____	_____	_____
c. A description of the accounting and financing or funding policies followed (such as a statement that the employer's contributions are financed on a pay-as-you-go basis or are advance-funded on an actuarially determined basis)?	_____	_____	_____
d. If OPEB are advance-funded on an actuarially determined basis:			
(1) The actuarial cost method and significant actuarial assumptions (including the interest rate and, if applicable, the projected salary increase assumption and the health inflation assumption) used to determine funding requirements?	_____	_____	_____
(2) The method used to value plan assets?	_____	_____	_____
e. The following expenditures/expenses information, depending on how OPEB are financed:			
(1) If OPEB are financed on a pay-as-you-go basis or if the employer sets aside assets for future OPEB payments but does not advance-fund OPEB on an actuarially determined basis:			
(a) The amount of OPEB expenditures/expenses recognized during the period by the employer (net of participant contributions)?	_____	_____	_____
(b) The number of participants currently eligible to receive benefits?	_____	_____	_____
(c) If expenditures/expenses for OPEB cannot readily be separated from expenditures/expenses for similar types of benefits provided to active employees and their dependents, are reasonable methods to approximate OPEB expenditures/expenses used?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(d) If a reasonable approximation cannot be made, disclosure that expenditures/expenses cannot be reasonably estimated?	_____	_____	_____
(e) Any net assets set aside for future benefit payments?	_____	_____	_____
(2) If OPEB are advance-funded on an actuarially determined basis:			
(a) The number of active plan participants?	_____	_____	_____
(b) The employer's actuarially required and actual contributions for the period (net of participant contributions)?	_____	_____	_____
(c) The amount of net assets available for OPEB?	_____	_____	_____
(d) The actuarially accrued liability and unfunded actuarially accrued liability for OPEB according to the actuarial cost method in use?	_____	_____	_____
f. A description (and the dollar effect, if measurable) of any significant matters that affect the comparability of the disclosures in this step with those for the previous period (such as a change in benefit provisions)?	_____	_____	_____
g. Any additional information that the employer believes will help users assess the nature and magnitude of the cost of the employer's commitment to provide OPEB? [GASB 12, par. 10 and fn. 4 (GASB Cod. Sec. P50.105 and fn. 4)]	_____	_____	_____

V. Deferred Compensation Plans

1. If the entity's IRC Section 457 deferred compensation plan meets the criteria in NCGAS 1, par. 26(3)(8), for inclusion in the fiduciary funds of the entity, is it reported as an expendable trust fund? [GASB 32, par. 4 (GASB Cod. Sec. D25.101)]	_____	_____	_____
2. Are all investments generally reported at fair value, as provided for in GASB Cod. Sec. 150? (See the separate section on investments.) [GASB 32, par. 5 (GASB Cod. Sec. D25.102)]	_____	_____	_____
3. If it is impractical to obtain investment valuation information from the plan administrator as of the entity's balance sheet date, are the investments valued using the most recent report, adjusted for interim contributions and withdrawals? [GASB 32, par. 6 (GASB Cod. Sec. I50.105, fn. 4)]	_____	_____	_____

W. Risk Financing and Related Financing Issues—Public Entity Risk Pools¹⁸

1. Is the public entity risk pool accounted for in an enterprise fund regardless of whether there is a transfer or pooling (sharing) of risk? [GASB 10, par. 18 (GASB Cod. Sec. Po20.114)]	_____	_____	_____
2. If a portion of premiums is specifically identified as being collected for future catastrophe losses, is that amount separately identified as a reservation of pool equity if it is contractually restricted for that specific future use or if it is legally restricted for that specific use by an organization or individual outside the entity? [GASB 10, par. 21 (GASB Cod. Sec. Po20.117)]	_____	_____	_____

¹⁸ If a public entity risk pool does not involve any transfer or pooling of risk among pool participants but is acting only as a claims servicer rather than as an insurer, the requirements shown in this section do not apply. Instead, the operating statement of this type of pool should report claims-servicing revenue and administrative costs and amounts collected or due from pool participants, including capitalization contributions, and paid or to be paid to settle claims should be netted and reported as an asset or a liability on an accrual basis, as appropriate. [GASB 10, par. 51, GASBI 4, par. 13 (GASB Cod. Sec. Po20.148)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. Are claims liabilities associated with structured settlements discounted if they represent contractual obligations to pay specific amounts on fixed or determinable dates? [GASB 10, par. 24 (GASB Cod. Sec. Po20.120)]	_____	_____	_____
4. For annuity contracts purchased in the claimant's name to satisfy a claim liability and for which the likelihood that the pool will be required to make future payments on the claim is remote, are the contracts not reported in, and the related liability removed from, the pool's balance sheet? [GASB 10, par. 26 (GASB Cod. Sec. Po20.122)]	_____	_____	_____
5. If no accrual is made for an insured event, or if an exposure to loss exists in excess of the accrual, is a loss contingency disclosed if there is at least a reasonable possibility that a loss or an additional loss may occur? [GASB 10, par. 27 (GASB Cod. Sec. Po20.123)]	_____	_____	_____
6. Does the disclosure indicate the nature of the contingency and give an estimate of the possible loss or range of loss or state that such an estimate cannot be made? [GASB 10, par. 27 (GASB Cod. Sec. Po20.123)]	_____	_____	_____
7. If it is considered probable that an unreported claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable, is disclosure of the possible claim made? [GASB 10, par. 27 (GASB Cod. Sec. Po20.123)]	_____	_____	_____
8. Are unamortized policy or participation contract acquisition costs classified as an asset? [GASB 10, par. 29 (GASB Cod. Sec. Po20.125)]	_____	_____	_____
9. Are policyholder dividends that are used to reduce premiums reported as dividend expense and premium income? [GASB 10, par. 32 (GASB Cod. Sec. Po20.128)]	_____	_____	_____
10. If experience refund arrangements exist under experience-rated contracts, is a separate liability accrued for those amounts, with those amounts reducing revenue? [GASB 10, par. 33 (GASB Cod. Sec. Po20.129)]	_____	_____	_____
11. Are premium deficiencies in excess of unamortized acquisition costs reported as a premium deficiency liability and as a premium deficiency expense? [GASB 30, par. 5 (GASB Cod. Sec. Po20.132)]	_____	_____	_____
12. Are premium deficiencies resulting from risk-sharing pool participation contracts reported as revenue and assessments receivable? [GASB 30, par. 5 (GASB Cod. Sec. Po20.132)]	_____	_____	_____
13. Are amounts that are recoverable from reinsurers or excess insurers and that relate to paid claims and claim adjustment expenses classified as assets (with an allowance for estimated uncollectible amounts) and as reductions of expenses? [GASB 10, par. 37 (GASB Cod. Sec. Po20.133)]	_____	_____	_____
14. Are estimated amounts recoverable from reinsurers that relate to the liabilities for unpaid claims and claim adjustment expenses deducted from those liabilities rather than reported as assets? [GASB 10, par. 37 (GASB Cod. Sec. Po20.133)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
15. Are unearned premiums on contracts ceded to a reinsurer by a pool netted with related premiums paid to but not yet earned by the reinsurer? [GASB 10, par. 37 (GASB Cod. Sec. Po20.133)]	_____	_____	_____
16. Are receivables and payables from the same reinsurer, including amounts withheld, netted? [GASB 10, par. 37 (GASB Cod. Sec. Po20.133)]	_____	_____	_____
17. To the extent that a reinsurance or excess insurance contract does not, despite its form, provide for indemnification of the pool by the reinsurer against loss or liability, is the premium paid less the premium to be retained by the reinsurer accounted for as a deposit by the pool, with a net credit resulting from the contract reported as a liability by the pool? [GASB 10, par. 39 (GASB Cod. Sec. Po20.135)]	_____	_____	_____
18. Does the pool report capitalization contributions to another public entity risk pool as provided in GASB Cod. Sec. C50.130-.132? (See the following section on Risk Financing and Related Financing Issues—Entities Other Than Risk Pools) [GASBI 4, par. 10 (GASB Cod. Sec. Po20.136)]	_____	_____	_____
19. Are capitalization contributions received reported as a liability or as unearned premiums, depending on the probability that the contributions will be returned? [GASBI 4, pars. 11 and 12 (GASB Cod. Sec. Po20.137 and .138)]	_____	_____	_____
20. Is all investment income, including changes in the fair value of investments (except those that are accounted for as foreign currency or futures contract hedges), reported in the operating statement as a component of other income? [GASB 10, par. 46 (GASB Cod. Sec. Po20.144); GASB 31, par. 13 (GASB Cod. Sec. I50.111)]	_____	_____	_____
21. Are the following matters related to public entity risk pools disclosed:			
a. A description of the risk transfer or pooling agreement, including the rights and responsibilities of the pool participants?	_____	_____	_____
b. A brief description of the number and types of entities participating in the pool?	_____	_____	_____
c. The basis for estimating the liabilities for unpaid claims and claim adjustment expenses?	_____	_____	_____
d. A statement that the liabilities are based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors?	_____	_____	_____
e. The nature of acquisition costs capitalized, the method of amortizing those costs, and the amount of those costs amortized for the period?	_____	_____	_____
f. The face amount and carrying amount of liabilities for unpaid claims and claim adjustment expenses that are presented at present value in the financial statements and the range of annual interest rates used to discount those liabilities?	_____	_____	_____
g. Whether the pool considers anticipated investment income in determining if a premium deficiency exists?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
h. The nature and significance of excess insurance or reinsurance transactions to the pool's operations, including the type of coverage, reinsurance premiums ceded, and estimated amounts that are recoverable from excess insurers and reinsurers and that reduce the liabilities as of the balance-sheet date for unpaid claims and claim adjustment expenses?	_____	_____	_____
i. A reconciliation of total claims liabilities, including an analysis of changes in aggregate liabilities for claims and claim adjustment expenses for the current fiscal year and the prior fiscal year in the following tabular format:			
(1) Amount of liabilities for unpaid claims and claim adjustment expenses at the beginning of each fiscal year?	_____	_____	_____
(2) Incurred claims and claim adjustment expenses?	_____	_____	_____
(a) Provision for insured events of the current fiscal year?	_____	_____	_____
(b) Increase (decrease) in the provision for insured events of prior fiscal years?	_____	_____	_____
(3) For payments:			
(a) Claims and claim adjustment expenses attributable to insured events of the current fiscal year?	_____	_____	_____
(b) Claims and claim adjustment expenses attributable to insured events of prior fiscal years?	_____	_____	_____
(4) Other items and explanations of each material item?	_____	_____	_____
(5) Amount of liabilities for unpaid claims and claim adjustment expenses at the end of each fiscal year?	_____	_____	_____
j. The aggregate outstanding amount of liabilities for which annuity contracts are purchased from third parties in the claimants' names and the related liabilities that are removed from the balance sheet? ¹⁹	_____	_____	_____
[GASB 10, par. 49, as amended by GASB 30, par. 6 (GASB Cod. Sec. P20.146)]			
22. Is the following required supplementary information provided: ²⁰			
a. A table that presents the following information: ²¹			
(1) Amount of gross premium (or required contribution) revenue and reported investment revenue, amount of premium (or required contribution) revenue ceded, and amount of net reported premium (or required contribution) revenue (net of excess insurance or reinsurance) and reported investment revenue for each of the past ten fiscal years including the latest fiscal year?	_____	_____	_____

¹⁹ This disclosure should not include annuity contracts used to settle claims for which the claimant has signed an agreement releasing the entity from further obligation and for which the likelihood that the pool will be required to make future payments on those claims is remote.

²⁰ This required supplementary information should be presented immediately after the notes to financial statements in separate pool financial reports. Pools that are included as part of a combined general government reporting entity and that do not issue separate financial reports also should present the required supplementary information after the notes to the reporting entity's financial statements. However, if the reporting entity issues a comprehensive annual financial report, those pools may present the required supplementary information as statistical information. [GASB 30, par. 7 (GASB Cod. Sec. P20.147 and fn. 10)]

²¹ During the transition period when the ten years of information about claims liabilities and claim adjustment expenses may not be available, all information in the table should be presented only for as many years as that information is available. [GASB 30, par. 7 (GASB Cod. Sec. P20. 147)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(2) Amount of reported unallocated claim adjustment expenses and reported other costs for each of the past ten fiscal years including the latest fiscal year?	_____	_____	_____
(3) Total gross amount of incurred claims and allocated claim adjustment expenses (both paid and accrued before the effect of loss assumed by excess insurers or reinsurers), loss assumed by excess insurers or reinsurers (both paid and accrued), and total net amount of incurred claims and allocated claim adjustment expenses (both paid and accrued)?	_____	_____	_____
(4) The cumulative net amount paid as of the end of the accident year, report year, or policy year (as appropriate) and each succeeding year for each of the incurred claims and allocated expense amounts presented in (3) above?	_____	_____	_____
(5) The reestimated amount for loss assumed by excess insurers or reinsurers as of the end of the current year for each of the accident years, report years, or policy years (as appropriate) presented in (3) above?	_____	_____	_____
(6) The reestimated amount for net incurred claims and claim adjustment expenses as of the end of each succeeding year for each of the accident years, report years, or policy years (as appropriate) presented in (3) above?	_____	_____	_____
(7) The change in net incurred claims and claim adjustment expenses from the original estimate, based on the difference between the latest reestimated amount presented in (6) above for each of the accident years, report years, or policy years (as appropriate) and the original net incurred claims and claim adjustment amounts reported in (3) above?	_____	_____	_____
b. A reconciliation of claims liabilities by type of contract, including an analysis of changes in liabilities for claims and claim adjustment expenses for the current fiscal year and the prior year, in the same tabular format required by Step 21.i. above? [GASB 30, par. 7 (GASB Cod. Sec. Po20.147)]	_____	_____	_____

X. Risk Financing and Related Financing Issues—Entities Other Than Risk Pools

1. Are risk financing activities (claims and judgments) recognized as expenditures in governmental and similar trust funds using the modified accrual basis of accounting (that is, to the extent that the amounts are payable with expendable available financial resources) with any remaining accrued liabilities reported in the GLTDAG, with the total amount disclosed in the notes to financial statements or by parenthetical display on the operating statement? [GASB 17, par. 6 (GASB Cod. Sec. C50, fn. 3)]	_____	_____	_____
2. If no accrual is made for a loss contingency, or if an exposure to loss exists in excess of the accrual, is a loss contingency disclosed if there is at least a reasonable possibility that a loss or an additional loss may occur? [GASB 10, par. 58 (GASB Cod. Sec. C50.115)]	_____	_____	_____
3. Does the disclosure indicate the nature of the contingency and give an estimate of the possible loss or range of loss or state that such an estimate cannot be made? [GASB 10, par. 58 (GASB Cod. Sec. C50.115)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. If it is considered probable that an unreported claim will be asserted and there is a reasonable possibility that the outcome will be unfavorable, is disclosure of the possible claim made? [GASB 10, par. 58 (GASB Cod. Sec. C50.115)]	_____	_____	_____
5. If a single fund is used to account for an entity's risk financing activities, is that fund either the general fund or an internal service fund? [GASB 10, par. 63 (GASB Cod. Sec. C50.120)]	_____	_____	_____
6. Are claims liabilities reduced by amounts expected to be recovered through excess insurance? [GASB 10, pars. 64 and 65 (GASB Cod. Secs. C50.121 and .122)]	_____	_____	_____
7. If the entity uses the general fund to account for its risk financing activities, allocates loss expenditures/expenses to the other funds of the entity, and the total amounts charged to the other funds (including the general fund itself) exceeds total expenditures and liabilities determined in accordance with Cod. Sec. C50.110-.114, are the excess amounts reported as operating transfers? [GASB 10, par. 64 (GASB Cod. Sec. C50.121)]	_____	_____	_____
8. If the entity uses an internal service fund to account for its risk financing activities:			
a. Are charges made by the internal service fund to the other funds calculated in accordance with the provisions of GASB Cod. Sec. C50.123 recognized as revenue by the internal service fund and as expenditures/expenses by the other funds of the entity?	_____	_____	_____
b. Is the excess of charges greater than the amount resulting from the application of GASB Cod. Sec. C50.123 reported in both the internal service fund and the other funds as an operating transfer?	_____	_____	_____
c. If the charges by the internal service fund to the other funds fails to recover the full cost of claims over a reasonable period of time, is any deficit fund balance in the internal service fund charged back to the other funds and reported as an expenditure/expense of those funds?	_____	_____	_____
d. Is a deficit fund balance of the internal service fund disclosed in the notes to financial statements?	_____	_____	_____
e. Are retained earnings in the internal service fund resulting from a charge by the internal service fund to the other funds for a reasonable provision for expected future catastrophe losses reported as equity designated for future catastrophe losses in the notes to the financial statements? [GASB 10, pars. 67 and 68 (GASB Cod. Sec. C50.124 and .125)]	_____	_____	_____
9. For governmental colleges and universities that use the AICPA College Guide model, if a single fund is used to account for risk financing activities, is that fund reported as an unrestricted current fund?	_____	_____	_____
a. If the total amount charged to other funds (including charges to unrestricted current funds) exceeds claims expenditures determined in accordance with Cod. Sec. C50.110-.114, are the excess amounts reported as nonmandatory transfers? [GASB 10, par. 64, GASB 19, par. 4 (GASB Cod. Sec. C50.127)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
10. If a governmental entity participates in a pool in which there is a transfer or pooling (sharing) of risks among the participants of that pool, does the entity report its premium or required contribution as insurance expenditure/expense?	_____	_____	_____
<i>a.</i> If the pooling agreement permits the pool to make additional assessments to its members, does the entity consider the likelihood of additional assessments and report an additional expenditure/expense and liability if an assessment is probable and can be reasonably estimated?	_____	_____	_____
<i>b.</i> Does the entity disclose assessment amounts that are probable but not reasonably estimable as well as those that are reasonably possible? [GASB 10, par. 69 (GASB Cod. Sec. C50.128)]	_____	_____	_____
<i>c.</i> If the pooling agreement does not provide for additional member assessments and it is probable that the entity will be required to pay its own obligations if the pool fails, are the amount of those obligations reported as an expenditure/expense and as a liability if they can be reasonably estimated? [GASB 10, par. 70 (GASB Cod. Sec. C50.129)]	_____	_____	_____
<i>d.</i> Are capitalization contributions reported as a deposit if it is probable that the contribution will be returned to the entity upon either the dissolution of or the approved withdrawal from the pool?	_____	_____	_____
<i>e.</i> In governmental funds, is fund balance reserved to indicate that the deposit is not appropriable for expenditure? [GASBI 4, par. 4 (GASB Cod. Sec. C50.130)]	_____	_____	_____
<i>f.</i> If it is not probable that a capitalization contribution will be returned:			
(1) In proprietary funds and in the unrestricted current funds of colleges and universities that apply the AICPA College Guide model, is the contribution reported initially as prepaid insurance (an asset), with expenses should be allocated and recognized over the periods for which the pool is expected to provide coverage? [GASBI 4, pars. 6 and 8 (GASB Cod. Sec. C50.132 and .134)]	_____	_____	_____
(2) In governmental funds, is the entire amount of the capitalization contribution recognized as an expenditure in the period of the contribution, or is the contribution reported initially as prepaid insurance (an asset), with expenditures allocated and recognized over the periods for which the pool is expected to provide coverage and fund balance reserved to indicate that the amount is not appropriable for expenditure? [GASBI 4, par. 7 (GASB Cod. Sec. C50.133)]	_____	_____	_____
11. If a capitalization contribution to a public entity risk pool without transfer or pooling of risk reported as a deposit or a reduction of claims liabilities? [GASBI 4, par. 9 (GASB Cod. Sec. C50.135)]	_____	_____	_____
12. If the entity is insured under a retrospectively rated insurance policy, does it disclose (a) that fact and (b) that premiums are accrued based on the ultimate cost of the experience to date of a group of entities? [GASB 10, par. 74 (GASB Cod. Sec. C50.138)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
13. If an entity receives or is entitled to receive a policyholder dividend or return of contribution related to its insurance or pool participation contract, is that dividend recognized as a reduction of expenditures/expenses at the time the dividend is declared? [GASB 10, par. 75 (GASB Cod. Sec. C50.139)]	_____	_____	_____
14. Are the following disclosed, including for component units that participate in their primary government's risk management internal service fund:			
a. A description of the risks of loss to which the entity is exposed and the way(s) in which those risks of loss are handled (for example, purchase of commercial insurance, participation in a public entity risk pool, risk retention)?	_____	_____	_____
b. A description of significant reductions in insurance coverage from coverage in the prior year by major categories of risk, and an indication whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years?	_____	_____	_____
c. If the entity participates in a risk pool, a description of the nature of the participation, including the rights and the responsibilities of both the entity and the pool? [GASB 10, par. 77, as amended by GASB 30, par. 10; GASB 10, par. 79, as amended by GASB 14, par. 65 (GASB Cod. Sec. C50.141 and .144)]	_____	_____	_____
15. If an entity retains the risk of loss, does it disclose:			
a. The basis for estimating the liabilities for unpaid claims, including the effects of specific, incremental claim adjustment expenditures/expenses salvage, and subrogation, and whether other allocated or unallocated claim adjustment expenditures/expenses are included?	_____	_____	_____
b. The carrying amount of liabilities for unpaid claims that are presented at present value in the financial statements and the range of discount rates used to discount those liabilities?	_____	_____	_____
c. The aggregate outstanding amount of claims liabilities for which annuity contracts are purchased in the claimants' names and for which the related liabilities are removed from the balance sheet (annuity contracts used to settle claims for which the claimant has signed an agreement releasing the entity from further obligation and for which the likelihood that the pool will be required to make future payments on those claims is remote should not be included in this disclosure)?	_____	_____	_____
d. A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year, in the following tabular format:			
(1) Amount of claims liabilities at the beginning of each fiscal year?	_____	_____	_____
(2) Incurred claims, representing the total of a provision for events of the current fiscal year and any change (increase or decrease) in the provision for events of prior fiscal years?	_____	_____	_____
(3) Payments on claims attributable to events of both the current fiscal year and prior fiscal years?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(4) Other items and explanations of each material item?	_____	_____	_____
(5) Amount of claims liabilities at the end of each fiscal year? [GASB 10, par. 77, as amended by GASB 30, par. 10 (GASB Cod. Sec. C50.141)]	_____	_____	_____

Y. Municipal Solid Waste Landfill Closure and Postclosure Care Costs

1. For municipal solid waste landfill closure and postclosure care costs reported using governmental fund and account group accounting and reporting, is the total cost determined for the year in accordance with GASB Cod. Sec. L10.106 disclosed in the notes to financial statements or through parenthetical display on the operating statement? [GASB 18, par. 10 (GASB Cod. Sec. L10.109)]	_____	_____	_____
2. Do the notes to the financial statements disclose:			
a. The nature and source of landfill closure and postclosure care requirements?	_____	_____	_____
b. That recognition of a liability for closure and postclosure care costs is based on landfill capacity used to date?	_____	_____	_____
c. The reported liability for closure and postclosure care at the balance-sheet date (if not apparent from the financial statements) and the estimated total current cost of closure and postclosure care remaining to be recognized?	_____	_____	_____
d. The percentage of landfill capacity used to date and estimated remaining landfill life in years?	_____	_____	_____
e. How closure and postclosure care financial assurance requirements, if any, are being met and any assets restricted for payment of closure and postclosure care costs (if not apparent from the financial statements)?	_____	_____	_____
f. The nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulation? [GASB 18, par. 17 (GASB Cod. Sec. L10.116)]	_____	_____	_____

Z. External Investments Pools

1. Unless the pool is a 2a7-like pool, does it report all investments at fair value (a) except for nonparticipating interest-earning investment contracts (see GASB Cod. Sec. I50.106) and (b) unless it has elected to report short-term debt investments with remaining maturities of up to ninety days at the date of the financial statements at amortized cost? [GASB 31, par. 16 (GASB Cod. Sec. In5.102)]	_____	_____	_____
2. If the pool has elected to report short-term debt investments with remaining maturities of up to ninety days at the date of the financial statements at amortized cost:			
a. Is the cost-based value of those investments adjusted if they are significantly affected by the impairment of the credit standing of the issuer or by other factors?	_____	_____	_____
b. Is the investment's fair value on the day it becomes a short-term investment the basis for purposes of applying amortized cost? [GASB 31, par. 16 (GASB Cod. Sec. In5.102)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. If a separate or stand-alone annual financial reports for the pool is presented:			
a. Do they include a statement of net assets and a statement of changes in net assets prepared on the economic resources measurement focus and the accrual basis of accounting (a statement of cash flows is not required to be presented)?	_____	_____	_____
b. Are all applicable GASB pronouncements applied in the report? [GASB 31, par. 17 (GASB Cod. Sec. In5.103)]	_____	_____	_____
4. If a separate or stand-alone annual financial report for the pool is presented, does the report disclose:			
a. The methods and significant assumptions used to estimate the fair value of investments, if that fair value is based on other than quoted market prices?	_____	_____	_____
b. The policy for determining which investments, if any, are reported at amortized cost?	_____	_____	_____
c. For any investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool and whether the fair value of the position in the pool is the same as the value of the pool shares?	_____	_____	_____
d. Any involuntary participation in an external investment pool?	_____	_____	_____
e. If the entity cannot obtain information from a pool sponsor to allow it to determine the fair value of its investment in the pool, the methods used and significant assumptions made in determining that fair value and the reasons for having had to make such an estimate?	_____	_____	_____
f. Any income from investments associated with one fund that is assigned to another fund?	_____	_____	_____
g. A brief description of any regulatory oversight (including whether the pool is registered with the SEC as an investment company)?	_____	_____	_____
h. The frequency of determining the fair value of investments?	_____	_____	_____
i. The method used to determine participants shares sold and redeemed and whether that method differs from the method used to report investments?	_____	_____	_____
j. Whether the pool sponsor has provided or obtained any legally binding guarantees during the period to support the value of shares?	_____	_____	_____
k. The extent of involuntary participation in the pool, if any?	_____	_____	_____
l. A summary of the fair value, the carrying amount (if different from fair value), the number of shares or the principal amount, ranges of interest rates, and maturity dates of each major investment classification?	_____	_____	_____
m. If the financial report distinguishes among different components of investment income (for example, interest, dividend, and other income versus the net increase or decrease in the fair value of investments), the accounting policy for defining each of the components it reports? [GASB 31, pars. 15 and 17 (GASB Cod. Secs. I50.119 and In5.103)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
5. Does the pool report all investment income, including change in the fair value of investments, as revenue in the statement of changes in net assets? [GASB 31, par. 13 (GASB Cod. Sec. I50.111)]	_____	_____	_____
6. For investments reported at fair value, is interest income reported at the stated interest rate, without any premiums or discounts amortized? [GASB 31, fn. 7 (GASB Cod. Sec. I50, fn. 9)]	_____	_____	_____
7. If identified separately as an element of investment income, is the change in the fair value of investments captioned "net increase (decrease) in the fair value of investments"? [GASB 31, par. 13 (GASB Cod. Sec. I50.111)]	_____	_____	_____
8. If the pool elects to report realized gains and losses for investments reported at fair value in the statement of net assets or the notes to financial statements:			
a. Does it measure the amount as the difference between the proceeds of the sale and the original cost of the investments sold?	_____	_____	_____
b. Does it disclose (1) that the calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments and (2) that realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year? [GASB 31, par. 15 (GASB Cod. Sec. I50.119)]	_____	_____	_____
9. If external investment pools are sponsored by the entity:			
a. Is the external portion of each pool reported as a separate investment trust fund (a fiduciary fund)?	_____	_____	_____
b. Are transactions and balances reported using the economic resources measurement focus and the accrual basis of accounting?	_____	_____	_____
c. Are the internal portions of each external investment pool reported as provided in Cod. Sec. I50.112 for the equity in internal investment pools?	_____	_____	_____
d. Is a statement of net assets and a statement of changes in net assets presented for each pool?	_____	_____	_____
e. Is the difference between the external pool assets and liabilities captioned "net assets held in trust for pool participants"?	_____	_____	_____
f. In the combined financial statements, are investment trust funds presented in the balance sheet with trust and agency funds?	_____	_____	_____
g. In the combined financial statements, is a separate statement of changes in net assets presented for the combined investment trust funds (although that statement may be presented with similar trust funds, such as pension trust funds)? [GASB 31, par. 18 (GASB Cod. Sec. I50. 116)]	_____	_____	_____
10. If an external investment pool issues a separate report, does the annual financial report of the sponsoring government describe in the notes to the financial statements how to obtain that report? [GASB 31, par. 19 (GASB Cod. Sec. I50.117)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
11. If an external investment pool does not issue a separate report, does the annual financial report of the sponsoring government include the following in the notes to the financial statements for each pool:			
a. The additional disclosures required in GASB Cod. Sec. In5.103?	_____	_____	_____
b. The disclosures required by Cod. Secs. C20, I50, and I60 as well as other cash and investment standards?	_____	_____	_____
c. Condensed statements of net assets and changes in net assets (if a pool includes both internal and external investors, those condensed financial statements should include, in total, the net assets held in trust for all pool participants, and the equity of participants should distinguish between internal and external portions)? [GASB 31, par. 19 (GASB Cod. Sec. I50.117)]	_____	_____	_____

II. Combined Balance Sheet—All Fund Types, Account Groups, and Discretely Presented Component Units

A. Content

1. Is a combined balance sheet presented for all fund types, account groups, and discretely presented component units? [NCGA 1, par. 139, as amended by GASB 14, par. 19 (GASB Cod. Sec. 2200.108)]	_____	_____	_____
2. Does the combined balance sheet have separate columns for each fund type and account group of the primary government (including its blended component units) as well as one or more columns to display the combined balance sheets of the discretely presented component units? [NCGA 1, par. 145, as amended by GASB 14, pars. 19 and 44 (GASB Cod. Sec. 2200.111)]	_____	_____	_____
3. Do the financial statements report only one general fund? [NCGAI 9, par. 10 (GASB Cod. Sec. 1300.106)]	_____	_____	_____

B. Cash and Investments, Including Reverse Repurchase Agreements and Securities Lending Transactions

1. Are cash and investments segregated into individual funds? [AAG-SLG, par. 7.14]	_____	_____	_____
2. Are restrictions on cash and investments disclosed? [SFAS 5, pars. 18 and 19 (AC C59.120)]	_____	_____	_____
3. Pooled Accounts			
a. If cash and investments are maintained in pooled accounts and a particular fund overdraws its share, is the overdraft reported as an interfund payable or receivable?	_____	_____	_____
b. If a pooled cash account for a governmental entity is overdrawn in total, is the balance classified as a fund liability? [AAG-SLG, par. 7.07]	_____	_____	_____
4. For deposits with financial institutions and investments (including repurchase agreements), do disclosures include:			
a. The types of investments authorized by legal or contractual provisions? [GASB 3, par. 65 (GASB Cod. Sec. I50.122)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. The difference in authorized investment types, if the types of investments authorized for different funds, fund types, blended component units, or discretely presented component units differ significantly from those authorized for the primary government, and those funds, fund types, or component units have material investment activity? [GASB 3, par. 65, as amended by GASB 14 (GASB Cod. Sec. I50.122)]	_____	_____	_____
c. Significant violations during the period of legal or contractual provisions for deposits and investments? [GASB 3, par. 66 (GASB Cod. Sec. I50.123)]	_____	_____	_____
d. If so, a statement that 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? [GASB 3, par. 67 (GASB Cod. Sec. I50.124)]	_____	_____	_____
e. For bank balances of deposits as of the balance-sheet date that are not entirely insured or collateralized with securities held by the entity or by its agent in the entity's name:			
(1) Reported amount of total deposits if not separately displayed on the balance sheet?	_____	_____	_____
(2) The total bank balance classified in these three categories of credit risk: ²²			
(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 that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name)? [GASB 3, par. 67, as amended by GASB 31 (GASB Cod. Sec. I50.124)]	_____	_____	_____
f. The reported amount and fair value of investments (including repurchase agreements) as of the balance-sheet date in total and for each type of investment? [GASB 3, par. 68, as amended by GASB 31, par. 6 (GASB Cod. Sec. I50.125)]	_____	_____	_____
g. The reported amount of each type of investment disclosed in the following three categories of credit risk except as discussed in Step <i>h</i> below: ²³			
(1) Insured or registered or securities held by the entity or its agent in the entity's name?	_____	_____	_____

²² If the credit risk to the primary government is not apparent because (a) the deposit or investment balances of blended component units, pension trust funds, investment trust funds, or other funds of the primary government are significant and (b) the mix of credit risk categories for those units or funds is significantly different from that of other funds or blended component units of the primary government, additional or separate disclosures concerning credit risk categories should be made for those units or funds. [GASB 3, par. 70, as amended by GASB 14; GASB 31, par. 18 (GASB Cod. Sec. I50.127)]

²³ If the government has invested in a pool managed by another government, no disclosure of the individual deposits and investments of the pool is required unless the entity owns specific, identifiable investment securities of the pool. Instead, the investment in the pool should be treated as a type of investment. [GASB 3, fn. 11, as amended by GASB 31, par. 6 (GASB Cod. Sec. I50, fn. 16)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(2) Uninsured and unregistered, with securities held by the counterparty's trust department 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, as amended by GASB 31, par. 6 (GASB Cod. Sec. I50.125)]	_____	_____	_____
<i>h.</i> Are the categories in Step <i>g</i> above not applied to all types of investments, such as (1) investments in external investment pools and in open-end mutual funds and (2) securities underlying reverse repurchase agreements? [GASB 3, par. 69 (GASB Cod. Sec. I50.126)]	_____	_____	_____
<i>i.</i> If unrealized investment losses on investments reported using cost-based measures in one or more component units or funds are not apparent because of such unrealized investment gains in the remaining funds, the reported amounts and fair value of that unit's or fund's total investments? [GASB 3, par. 71, as amended by GASB 14 and GASB 31, par. 6 (GASB Cod. Sec. I50.128)]	_____	_____	_____
<i>j.</i> If there are outstanding commitments as of the balance-sheet date to resell securities under yield maintenance repurchase agreements, the fair value and reported amount as of the balance-sheet date, as well as a description of the terms of the agreement? [GASB 3, par. 72, as amended by GASB 31, par. 6 (GASB Cod. Sec. I50.129)]	_____	_____	_____
<i>k.</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 during the period significantly exceed the amounts in those categories as of the balance-sheet date, that fact and the causes? [GASB 3, par. 73 (GASB Cod. Sec. I50.130)]	_____	_____	_____
<i>l.</i> The types of investments made during the period but not owned as of the balance-sheet date? [GASB 3, par. 74 (GASB Cod. Sec. I50.131)]	_____	_____	_____
<i>m.</i> 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. I50.132)]	_____	_____	_____
5. Do disclosures applicable to the equity method of accounting for investments in common stock include:			
<i>a.</i> The name of each investee and percentage of ownership or other manifestation of significant influence?	_____	_____	_____
<i>b.</i> Accounting policies of the entity relative to equity method investments?	_____	_____	_____
<i>c.</i> 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?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
d. The aggregate market value of each identified investment for which a market value is available? [APB 18, par. 20 (AC I82.110)]	_____	_____	_____
e. Are equity method investments shown in the balance sheet as a single amount, and the entity'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)]	_____	_____	_____
6. In connection with reverse repurchase agreements:			
a. Are the assets and liabilities arising from reverse repurchase and fixed coupon reverse repurchase agreements not netted on the balance sheet, with the agreements reported as a fund liability captioned "Obligations under reverse repurchase agreements," and the underlying securities reported as "Investments" ? [GASB 3, par. 81 (GASB Cod. Sec. I55.114)]	_____	_____	_____
b. If the entity pools moneys from several funds for investment purposes, and the pool, rather than the individual funds, has reverse repurchase agreements, has the entity reported the assets and liabilities in the balance sheets of the funds that have the risk of loss on those assets? [GASBI 3, par. 3 (GASB Cod. Sec. I55.116)]	_____	_____	_____
c. Are the following disclosures made:			
(1) If reverse repurchase agreements were used during the period, the source of legal or contractual authorization for the use of those agreements? [GASB 3, par. 76 (GASB Cod. Sec. I55.108)]	_____	_____	_____
(2) Significant violations during the period of legal or contractual provisions for reverse repurchase agreements? [GASB 3, par. 77 (GASB Cod. Sec. I55.109)]	_____	_____	_____
(3) For reverse repurchase agreements other than yield maintenance agreements that are outstanding as of the balance-sheet date, credit risk related to the agreements? [GASB 3, par. 78, as amended by GASB 31, par. 6 (GASB Cod. Sec. I55.110)]	_____	_____	_____
(4) Commitments as of the balance-sheet date to repurchase securities under yield maintenance agreements, including the fair 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, as amended by GASB 31, par. 6 (GASB Cod. Sec. I55.111)]	_____	_____	_____
(5) 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. I55.112)]	_____	_____	_____
(6) Whether the maturities of the investments made with the proceeds of reverse repurchase and fixed-coupon reverse repurchase agreements generally are matched to the maturities of the agreements, as well as the extent of such matching at the balance sheet date? [GASBI 3, par. 6 (GASB Cod. Sec. I55.113)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
7. In connection with securities lending transactions (SLTs):			
a. Are the following items reported in the balance sheet:			
(1) Securities lent?	_____	_____	_____
(2) Cash received as collateral and investments made with that cash?	_____	_____	_____
(3) Securities received as collateral if the entity has the ability to pledge or sell them without a borrower default?	_____	_____	_____
(4) Liabilities resulting from these transactions? [GASB 28, pars. 5 and 6 (GASB Cod. Sec. I60.103 and .104)]	_____	_____	_____
b. Are SLTs collateralized by letters of credit or by securities that the government does not have the ability to pledge or sell unless the borrower defaults not reported as assets or liabilities? [GASB 28, par. 7 (GASB Cod. Sec. I60.105)]	_____	_____	_____
c. If a government pools money from several funds for investment purposes and the pool, rather than the individual funds, has SLTs, are the assets and liabilities arising from the SLTs in the balance sheets of the funds that have the risk of loss on the collateral assets? [GASB 28, par. 9 (GASB Cod. Sec. I60.107)]	_____	_____	_____
d. Are the following disclosures made:			
(1) The source of legal or contractual authorization for the use of SLTs?	_____	_____	_____
(2) Any significant violations of those provisions occurring during the reporting period?	_____	_____	_____
(3) A general description of the SLTs during the period including:			
(a) The types of securities loaned?	_____	_____	_____
(b) The types of collateral received?	_____	_____	_____
(c) Whether the government has the ability to pledge or sell collateral securities without a borrower default?	_____	_____	_____
(d) The amount by which the value of the collateral provided is required to exceed the value of the underlying securities?	_____	_____	_____
(e) Any restriction on the amount of the loans that can be made?	_____	_____	_____
(f) Any loss indemnification provided to the entity by its securities lending agents?	_____	_____	_____
(g) The reported amount and fair values (if different) of underlying securities?	_____	_____	_____
(4) Whether the maturities of the investments made with cash collateral generally match the maturities of their securities loans, as well as the extent of such matching?	_____	_____	_____
(5) The amount of credit risk related to the SLTs?	_____	_____	_____
(6) The amount of any losses on SLTs during the period resulting from the default of a borrower or lending agent and amounts recovered from prior-period losses, if not separately displayed in the operating statement?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
(7) Disclosures required by GASB Cod. Sec. I50 for securities lending collateral that is reported in the balance sheet and for the underlying securities, including the reported amounts and fair values of these investments by type of investment? [GASB 28, pars. 11-16, as amended by GASB 31, par. 6 (GASB Cod. Secs. I60.109-.114)]	_____	_____	_____

C. Notes and Accounts Receivable

1. Are balances between the primary government and its discretely presented component units reported separately from interfund balances and transfers? [GASB 14, par. 57 (GASB Cod. Sec. 2600.120)]	_____	_____	_____
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?	_____	_____	_____
b. Does the disclosure include the effective interest rate and face amount of the note?	_____	_____	_____
c. Is amortization of discount or premium reported as interest expense in the operating statement?	_____	_____	_____
d. Are issue costs reported in the balance sheet as deferred charges? [APB 21, par. 16 (AC I69.109)]	_____	_____	_____
3. Are the amounts due to a fund from other funds, as well as the amounts owed to other funds, reflected in the fund accounts and in fund financial statements and not offset (except for current amounts due from and due to the same funds)? [NCGA 1, par. 22 and fn. 5 (GASB Cod. Sec. 1300.110)]	_____	_____	_____
4. Are the amounts of interfund receivables and payables disclosed by fund? [AAG-SLG, par. 8.25]	_____	_____	_____
5. Are allowances for uncollectible receivables presented in the "Assets" section of the balance sheet, disclosed parenthetically in the balance sheet, or disclosed in the notes to the financial statements? [NCGA 1, App. A, Ex. 1 Explanations (GASB Cod. Sec. 2200.903)]	_____	_____	_____
6. Are long-term loans receivable reported in governmental funds offset by a fund balance reserve? [NCGA 1, App. A, Ex. 1 (GASB Cod. Sec. 2200.903)]	_____	_____	_____

D. Inventories

1. Are significant amounts of inventory reported on the balance sheet? [NCGA 1, par. 73 (GASB Cod. Sec. 1600.124)]	_____	_____	_____
2. For inventories reported in governmental funds, is a fund balance reservation reported to indicate the portion of fund balance represented by inventories that is not available for appropriation and expenditure at a balance sheet date? [NCGA 1, par. 118 (GASB Cod. Sec. 1800.125)]	_____	_____	_____
3. Is the basis for stating inventories disclosed, including the method of determining cost? [ARB 43, Ch. 3A, par. 9 (AC I78.120)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
E. Fixed Assets			
1. Are fixed assets, other than those accounted for in the proprietary or trust funds, accounted for in the General Fixed Assets Account Group (GFAAG) rather than in the governmental funds? [NCGA 1, par. 38 (GASB Cod. Sec. 1400.106)]	_____	_____	_____
2. Are fixed assets that are reported in the GFAAG offset by "other credit" accounts showing the sources by which such assets were financed? [NCGA 1, par. 41 (GASB Cod. Sec. 1400.110)]	_____	_____	_____
3. Do fixed assets include not only those purchased or constructed, but also those donated to the entity, measured at the fair value of the asset on the date donated? [NCGA 1, par. 50, as amended by GASB 33 (GASB Cod. Sec. 1400.113)]	_____	_____	_____
4. Are purchased fixed assets stated at estimated or actual historical cost? [NCGA 1, pars. 48 and 49 (GASB Cod. Sec. 1400.111 and .112)]	_____	_____	_____
5. Is the extent to which fixed asset costs have been estimated, and the methods of estimation, disclosed? [NCGA 1, par. 49 (GASB Cod. Sec. 1400.112)]	_____	_____	_____
6. If recording accumulated depreciation in the GFAAG is elected, is the accumulated depreciation account(s) increased and investment in general fixed assets account(s) decreased? [NCGA 1, par. 56 (GASB Cod. Sec. 1400.118)]	_____	_____	_____
7. For assets capitalized in the GFAAG, are the following disclosures made in the financial statements or the notes:			
a. Details of general fixed assets, such as land, buildings, and equipment?	_____	_____	_____
b. The basis for valuing assets in the GFAAG (such as cost or estimated cost)?	_____	_____	_____
c. Whether accumulated depreciation is reported in the GFAAG and, if so, the depreciable lives and methods of depreciation?	_____	_____	_____
d. A reconciliation of changes in the GFAAG during the year?	_____	_____	_____
e. Capitalization of interest, if any, during construction?	_____	_____	_____
f. Commitments under long-term construction projects?	_____	_____	_____
g. Pertinent data regarding capital and operating leases? [AAG-SLG, pars. 10.20 and 10.21]	_____	_____	_____
8. For assets capitalized in the proprietary and trust funds, are the following disclosures made in the financial statements or the notes:			
a. Depreciation expense for the period?	_____	_____	_____
b. Balance of major classes of depreciable assets, by nature or function at the balance-sheet date?	_____	_____	_____
c. Accumulated depreciation, either by major classes of depreciable assets or in total at the balance-sheet date?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
d. A general description of the method or methods used in computing depreciation with respect to major classes of depreciable assets? [APB 12, par. 5 (AC D40.105)]	_____	_____	_____
F. Lessors²⁴			
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 an operating statement is presented? [SFAS 13, par. 23; SFAS 91, par. 25 (AC L10.119a); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
2. For operating leases, do disclosures include:			
a. Cost and carrying amount of property on lease or held for leasing 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 an operating statement is presented? [SFAS 13, par. 23 (AC L10.119b); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
3. For all leases, do disclosures include a general description of the lessor's leasing arrangements? [SFAS 13, par. 23 (AC L10.119c); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
4. Are leveraged leases disclosed as provided for in SFAS 13, paragraph 47? [SFAS 13, par. 47 (AC L10.149); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
5. For operating leases with scheduled rent increases in governmental and similar trust funds, are accrued receivables reported in the funds and offset by deferred revenue for the portion not yet recognized as revenue? [GASB 13, par. 9 (GASB Cod. Sec. L20.112)]	_____	_____	_____
G. Intangible Assets			
1. Is the method and period of amortization for intangible assets disclosed? [APB 17, par. 30 (AC I60.111); APB 22, par. 13 (AC A10.106)]	_____	_____	_____

²⁴ Disclosures required by SFAS 13 are required when leasing, exclusive of leveraged leasing, is a significant part of the lessor's business activities in terms of revenue, net income, or assets. They may be provided either in the financial statements or the notes. [SFAS 13, par. 23 (AC L10.119); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
H. Liabilities			
1. Do governmental fund balance sheets generally reflect only the current portion of the liabilities for claims, judgments, and compensated absences left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources, with the remainder of the liability reported in the General Long-term debt Account Group (GLTDAG)? [NCGA 4, pars. 16 and 17; GASB 16, par. 13; GASB 17, par. 6 (GASB Cod. Sec. 1600.118)]	_____	_____	_____
2. Are bonds, notes, and other long-term liabilities (such as for capital leases, pensions, claims and judgments, compensated absences, special termination benefits, landfill closure and postclosure care and similar commitments) directly related to and expected to be paid from proprietary funds and (certain) trust funds included in the accounts of such funds? [NCGA 1, par. 42, as amended by NCGA 4, par. 14; NCGAI 9, par. 12; GASB 6, pars. 13 and 23; GASBI 1, par. 13; GASB 13, par. 7; GASB 10, par. 53; GASB 16, par. 6; GASB 18, par. 7; GASB 27, par. 17; NCGAI 8, par. 12 (GASB Cod. Sec. 1500.102)]	_____	_____	_____
3. Are other unmatured general long-term liabilities of the governmental unit accounted for through the GLTDAG? [NCGA 1, par. 43, as amended by NCGA 4, par. 14, NCGAI 8, pars. 11 and 12, NCGAI 9, par. 12, GASB 6, par. 17, GASB 13, par. 9, GASB 16, par. 13, GASB 17, par. 6, GASB 18, par. 10, GASB 27, par. 16, and GASBI 1, pars. 10 and 12 (GASB Cod. Sec. 1500.103)]	_____	_____	_____
4. Is general long-term debt that is reported in the GLTDAG offset by "other debit" accounts showing the amount available in debt service funds for debt principal payment and the amount that must be provided in future years for payment of debt principal? [NCGA 1, par. 45 (GASB Cod. Sec. 1500.105)]	_____	_____	_____
5. Are the individual components of general long-term debt classified appropriately as term bonds, serial bonds, and other general long-term liabilities? [NCGA 1, par. 45 (GASB Cod. Sec. 1500.105)]	_____	_____	_____
6. Do financial statements disclose the nature of any restrictions on assets related to outstanding indebtedness? [AAG-SLG, par. 11.31]	_____	_____	_____
7. Are the following disclosures made related to liabilities:			
a. The maturity, interest rates, and annual debt service requirements to maturity for the short-term and long-term issues of outstanding indebtedness?	_____	_____	_____
b. The issuance and payment of debt for the period?	_____	_____	_____
c. Details of capital leases?	_____	_____	_____
d. Amounts of authorized but unissued debt?	_____	_____	_____
e. The existence of any significant bond covenants and liquidity agreements?	_____	_____	_____
f. Violations of bond covenants?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
g. Nature and amount of contingent and moral obligations, no-commitment debt, and any actions by the government to extend an obligation to pay?	_____	_____	_____
h. The amount of unpaid debt that has been defeased?	_____	_____	_____
i. The refunding of debt, including the difference between the cash flows to service the old debt and the cash flows to service the new debt, and the economic gain or loss resulting from the transaction?	_____	_____	_____
j. Debt issued subsequent to the balance-sheet date but before the financial statements are issued?	_____	_____	_____
k. An existing or anticipated inability to pay debt when due?	_____	_____	_____
l. Information on derivatives and similar debt transactions as required by GASB Cod. Sec. 2300.601?	_____	_____	_____
m. Short-term debt instruments and liquidity?	_____	_____	_____
n. Changes in general long-term debt? [NCGA 1, par. 158; NCGAI 6, par. 4, as amended; NCGAI 6, par. 5, as amended (GASB Cod. Sec. 2300.106 and .107); AAG-SLG, par. 11.31]	_____	_____	_____
8. Are amounts payable from restricted assets separately presented in the financial statements, including:			
a. Construction contracts?	_____	_____	_____
b. Revenue bonds?	_____	_____	_____
c. Fiscal agent?	_____	_____	_____
d. Deposits?	_____	_____	_____
e. Accrued interest? [NCGA 1, App. A, Ex. 1 (GASB Cod. Sec. 2200.903)]	_____	_____	_____
9. If fund liabilities for which the entity is contingently liable are in default—or where for other reasons it appears probable that they will not be paid on a timely basis from the resources of these funds and default is imminent—are the liabilities reported separately from other liabilities in the fund balance sheet? [NCGA 1, par. 46, as amended by NCGAI 6 (GASB Cod. Sec. 1500.110)]	_____	_____	_____
10. If the government is obligated in some manner for special assessment debt, do the notes to financial statements disclose:			
a. The information required in GASB Cod. Sec. 2300 as it applies to long-term debt?	_____	_____	_____
b. The nature of the government's obligation, including an identification and description of any guarantee, reserve or sinking fund established to cover defaults by property owners?	_____	_____	_____
c. 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)]	_____	_____	_____
11. 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)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
12. Do current liabilities of proprietary funds 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. 9–14 (AC B05.113–.116); FASBI 8, pars. 2–4 (AC B05.117, .138, and .139); FTB 79-3 (AC B05.501–.503); NCGAI 9, par. 12 (GASB Cod. Sec. B50.101)]	_____	_____	_____
13. For governmental funds, if all legal steps are taken to refinance bond anticipation notes and the intent is supported by an ability to consummate refinancing the short-term note on a long-term basis in accordance with SFAS 6, are they shown as part of the GLTDAG? [NCGAI 9, par. 12 (GASB Cod. Sec. B50.101)]	_____	_____	_____
14. If a short-term obligation is excluded from current liabilities of proprietary funds or reported in the GLTDAG, do disclosures include:			
a. General description of the financing agreement?	_____	_____	_____
b. Terms of any new obligation incurred or expected to be incurred, as a result of the refinancing? [NCGAI 9, fn. 5 (GASB Cod. Sec. B50, fn. 2); SFAS 6, par. 15 (AC B05.118)]	_____	_____	_____
15. 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 enters 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)]	_____	_____	_____
16. If the conditions in Step 15 above are not met, are the demand bonds reported as fund liabilities or, for proprietary funds, as current liabilities? [GASBI 1, par. 10 (GASB Cod. Sec. D30.108)]	_____	_____	_____
17. In addition to debt disclosures required by GASB Cod. Sec. 2300.105 and .106, are the following disclosures made for demand bonds outstanding:			
a. A general description of the demand bond program?	_____	_____	_____
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?	_____	_____	_____
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?	_____	_____	_____
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)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
18. If a take out agreement is exercised converting demand 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 GASB Cod. Sec. 2300, paragraph 106i? [GASBI 1, par. 12 (GASB Cod. Sec. D30.110)]	_____	_____	_____
19. If the conditions of Step 15 above 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)]	_____	_____	_____
20. 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 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)]	_____	_____	_____
21. If the answer to Steps 19 or 20 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 (GASB Cod. Sec. D30.111)]	_____	_____	_____
22. 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)]	_____	_____	_____
23. Is debt considered to be defeased for financial reporting purposes only if one of the following conditions is met?	_____	_____	_____
a. The debt is legally satisfied based on certain provisions in the debt instrument even though the debt is not actually paid?	_____	_____	_____
b. 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 (an <i>in-substance defeasance</i>)? [GASB 7, pars. 3 and 4; GASB 23, fn. 1 (GASB Cod. Sec. D20.102 and .103)]	_____	_____	_____
24. If debt is considered to be extinguished (an in-substance defeasance), is the amount of that debt at the end of the period disclosed so long as that debt remains outstanding? [GASB 7, par. 14 (GASB Cod. Sec. D20.114)]	_____	_____	_____
25. In an advance refunding resulting in a defeasance of debt for governmental fund types:			
a. Are the proceeds of the new debt reported as an "other financing source—proceeds of refunding bonds" in the fund receiving the proceeds?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. 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"?	_____	_____	_____
c. Are payments to the escrow agent made from other resources of the entity reported as debt service expenditures? [GASB 7, par. 8 (GASB Cod. Sec. D20.106)]	_____	_____	_____
26. For advance refundings resulting in defeasance of general long-term debt, is the GLTDAG adjusted for the increase or decrease in the amount of that debt? [GASB 7, par. 9 (GASB Cod. Sec. D20.107)]	_____	_____	_____
27. For a defeasance of debt through an advance refunding, are the following disclosed:			
a. A general description of the transaction?	_____	_____	_____
b. The difference between the cash flows required to service the new debt and complete the refunding?	_____	_____	_____
c. The economic gain or loss resulting from the transaction? [GASB 7, par. 11 (GASB Cod. Sec. D20.111)]	_____	_____	_____
28. 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 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 waives or subsequently loses the right to demand repayment for more than one year (or operating cycle, if longer) from the balance-sheet date?	_____	_____	_____
b. For long-term obligations containing 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)]	_____	_____	_____
29. If an obligation as discussed in Step 28 above is classified as a long-term liability, are the circumstances disclosed? [SFAS 78, par. 5 (B05.118)]	_____	_____	_____
30. For current refundings and advance refundings resulting in defeasance of debt reported by proprietary activities, is the deferred amount (the difference between the reacquisition price and the net carrying amount of the old debt) reported as a deduction from or as an addition to the new debt liability? [GASB 23, par. 4 (GASB Cod. Sec. D20.109)]	_____	_____	_____
I. Lessees*			
1. For capital leases, are the obligations separately identified in the balance sheet and subject to the same considerations as other obligations in classifying them with current and noncurrent liabilities in classified balance sheets? [SFAS 13, par. 13 (AC L10.112a (5)); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____

* GASB 38 provides additional disclosures about lease obligations. See Appendix B.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
2. 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. Future minimum lease payments as of the latest balance sheet presented in the aggregate and for each of the five succeeding fiscal years, with separate deductions for executory costs and imputed interest?	_____	_____	_____
c. Total of future minimum sublease rentals under noncancelable subleases as of the date of the latest balance sheet presented?	_____	_____	_____
d. Total contingent rentals incurred for each period for which an operating statement is presented?	_____	_____	_____
e. Assets recorded under capital leases and the accumulated amortization thereon, unless separately identified in the balance sheet?	_____	_____	_____
f. The amortization charge on assets recorded under capital leases, unless the charge is included with depreciation expense (with the fact that it is so included is disclosed) or unless it is separately identified in the financial statement? [SFAS 13, pars. 13 and 16 (AC L10.112a); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
3. 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? [SFAS 13, par. 16 (AC L10.112b); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
4. For all operating leases, do disclosures include rental expense for each period for which an operating statement is presented with separate amounts for minimum rentals, contingent rentals, and sublease rentals? [SFAS 13, par. 16 (AC L10.112c); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
5. For all leases, 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. 16 (AC L10.112d); NCGA 5, par. 27 (GASB Cod. Sec. L20.129)]	_____	_____	_____
6. For operating leases with scheduled rent increases, do lessees report the total amount calculated for the year in accordance with the measurement criteria in GASB 13, pars. 5 and 6, through disclosure in the notes to financial statements or parenthetical display on the operating statement? [GASB 13, par. 9 (GASB Cod. Sec. L20.112)]	_____	_____	_____

- | | <u>Yes</u> | <u>No</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 7. For operating leases with scheduled rent increases, in governmental and similar trust funds, are accrued liabilities in excess of that payable with expendable available financial resources reported in the GLTDAG? [GASB 13, par. 9 (GASB Cod. Sec. L20.112)] | _____ | _____ | _____ |

J. Fund Balance

- | | | | |
|---|-------|-------|-------|
| 1. Is disclosure made of any deficit fund balance or deficit retained earnings of individual funds and identification of how it will be liquidated? [NCGA 1, par. 158; NCGAI 6, par. 4, as amended (GASB Cod. Sec. 2300.106); GASB 10, par. 67 (GASB Cod. Sec. C50.124); AAG-SLG, par. 12.20] | _____ | _____ | _____ |
| 2. Is the label "fund balance" only used in appropriate fund types (e.g., General, Special Revenue, Debt Service, Capital Projects, and Trust Fund types)? [NCGA 1, par. 145, as amended (GASB Cod. Sec. 2200.111)] | _____ | _____ | _____ |
| 3. Are the fund balances of governmental funds classified as either reserved or unreserved? [NCGA 1, par. 121 (GASB Cod. Sec. 1800.128)] | _____ | _____ | _____ |
| 4. Are designations of the fund balances of governmental funds reported in the unreserved fund balance section of the balance sheet or disclosed parenthetically or in the notes to the financial statements? [NCGA 1, par. 120 (GASB Cod. Sec. 1800.127)] | _____ | _____ | _____ |
| 5. Are designated or reserved fund balances not evident in the financial statements presented in the notes? [AAG-SLG, par. 12.20] | _____ | _____ | _____ |
| 6. Are any differences between opening fund balances and those previously reported disclosed? [APB 9, par. 26 (AC A35.107); NCGA 1, par. 152 (GASB Cod. Sec. 2200.126)] | _____ | _____ | _____ |
| 7. Are amounts reported as retained earnings and contributed capital only in the proprietary fund types? [NCGA 2, par. 16 (GASB Cod. Sec. 1800.123)] | _____ | _____ | _____ |
| 8. Are reserves shown in proprietary funds limited to reserves of retained earnings? [NCGA 1, par. 122, as amended by GASB 20, pars. 6 and 7 (GASB Cod. Sec. 1800.129); NCGA 1, App. A, Ex. 1 (GASB Cod. Sec. 2200.903)] | _____ | _____ | _____ |

K. Other

- | | | | |
|---|-------|-------|-------|
| 1. Is disclosure made of any material violations of legal and contractual provisions? [NCGAI 6, par. 4 (GASB Cod. Sec. 2300.106h)] | _____ | _____ | _____ |
| 2. Is escheat property reported as follows: | | | |
| a. In either an expendable trust fund or the fund to which the property ultimately escheats? | _____ | _____ | _____ |
| b. In an agency fund or in the fund in which escheat property is otherwise reported for escheat property held for another governmental entity? [GASB 21, par. 4 (GASB Cod. Sec. E70.102)] | _____ | _____ | _____ |

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. Is escheat revenue reduced and a fund liability reported to the extent that it is probable that escheat property will be reclaimed and paid to claimants? [GASB 21, par. 5 (GASB Cod. Sec. E70.103)]	_____	_____	_____
4. If escheat property is initially reported in an expendable trust fund, are amounts transferred to the ultimate fund reported as an operating transfer, except as provided in Step 5 below? [GASB 21, par. 6 (GASB Cod. Sec. E70.104)]	_____	_____	_____
5. If the assets of an escheat expendable trust fund are less than the liabilities of that fund, is difference reported as an "advance to" (an asset) in the expendable trust fund and an "advance from" (a liability) in the ultimate fund? [GASB 21, par. 6 (GASB Cod. Sec. E70.104)]	_____	_____	_____

III. Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—All Governmental Fund Types, Similar Trust Funds, and Discretely Presented Component Units

A. General

1. Is a combined statement that is titled as shown above (adjusted as appropriate for the funds and units included) presented? [NCGA 1, par. 139, as amended by GASB 14, pars. 19 and 50; GASB 9, par. 6 (GASB Cod. Sec. 1900.116); NCGA 1, par. 147, as amended by GASB 14, pars. 19, 45, and 46 (GASB Cod. Sec. 2200.114)]	_____	_____	_____
2. Does the statement use an all-inclusive approach to present all changes in fund balance during the period? [NCGA 1, par. 146, as amended by GASB 14 (GASB Cod. Sec. 2200.113)]	_____	_____	_____
3. Are revenues classified by fund and source, such as taxes, licenses and permits, intergovernmental revenues, charges for services, fines and forfeits, and miscellaneous? [NCGA 1, par. 110 (GASB Cod. Sec. 1800.115)]	_____	_____	_____
4. Is a separate column used for each governmental fund type, discretely presented component unit, and similar trust fund used that shows the combined data for all such funds? [NCGA 1, par. 147, as amended by GASB 14, pars. 19, 45, and 46 (GASB Cod. Sec. 2200.114)]	_____	_____	_____
5. Are expenditures classified by function or program and further by character (such as current capital outlays and debt service)? [NCGA 1, pars. 111–116 (GASB Cod. Secs. 1800.116–.121)]	_____	_____	_____
6. Are interfund operating transfers, proceeds of long-term debt, including capital leases, and certain payments related to advance refundings and demand bonds classified separately from fund revenues and expenditures as "Other Financing Sources" and "Other Financing Use"? [NCGA 1, par. 100 (GASB Cod. Sec. 1800.101); NCGA 1, par. 105; SOP 77-2, par. 4; GASB 10, par. 68; GASB 21, par. 6; NCGA 1, par. 106, fns. 18 and 19; NCGA 1, par. 107, as amended by GASB 6, par. 13; NCGAI 1, par. 108, as amended by GASB 6, par. 19; GASB 7, par. 8; GASBI 1, pars. 10 and 13; NCGA 5, par. 14 (GASB Cod. Secs. 1800.106–.113)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
7. Are residual equity transfers reported as additions to or deductions from beginning fund balance? [NCGA 1, par. 106, fns. 18 and 19 (GASB Cod. Sec. 1800.107)]	_____	_____	_____
8. Does the statement reconcile either beginning and ending total fund balances or beginning and ending unreserved fund balances? [NCGA 1, App. A, Ex. 2 (GASB Cod. Sec. 2200.904)]	_____	_____	_____
9. If the statement presents changes in total fund balance, are material changes in each reserve and designation disclosed in notes to the financial statements? [AAG-SLG, par. 12.19]	_____	_____	_____
10. Are the revenues and expenditures of expendable trust funds accounted for using the modified accrual basis of accounting? [NCGA 1, par. 57 (GASB Cod. Sec. 1600, Statement of Principle)]	_____	_____	_____

B. Expenditures

1. Are inventory items (materials and supplies) considered expenditures, either when purchased (purchase method) or when used (consumption method)? [NCGA 1, par. 73 (GASB Cod. Sec. 1600.124)]	_____	_____	_____
2. Is the method of accounting for expenditures for insurance and similar services that extend over more than one accounting period disclosed? [NCGA 1, par. 73 (GASB Cod. Sec. 1600.124)]	_____	_____	_____
3. Is the policy of not recording depreciation expense followed in all governmental funds? [NCGA 1, par. 54 (GASB Cod. Sec. 1400.116)]	_____	_____	_____

IV. Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General and Special Revenue Fund Types (and Similar Governmental Fund Types of the Primary Government for Which Annual Budgets Have Been Legally Adopted)

A. General

1. Is a combined statement that is titled as shown above (adjusted as appropriate for the funds included) presented for the general fund, all special revenue funds, and other governmental fund types for which annual budgets are legally adopted? [NCGA 1, par. 153; GASB 14, par. 56 (GASB Cod. Sec. 2400.102)]	_____	_____	_____
2. Is a separate column used for each governmental fund type presented showing combined results for all funds of that type? [GASB 14, par. 56 (GASB Cod. Secs. 2200.128 and 2400.103)]	_____	_____	_____
3. Is the budget data in this statement presented based on the appropriated budgets for those funds, as amended? [GASB 14, par. 56 (GASB Cod. Secs. 2200.128 and 2400.103)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
4. Is the actual data in this statement presented using the legally prescribed budgetary basis, even if that basis differs from GAAP? [NCGA 1, par. 154, as amended by GASB 14 (GASB Cod. Sec. 2400.104)]	_____	_____	_____
5. Are differences between the budgetary basis and GAAP (as well as other differences) explained in the notes to financial statements? [NCGA 1, par. 154, as amended by GASB 14 and NCGAI 10, pars. 15–25 (GASB Cod. Sec. 2400.104 and .113–.123)]	_____	_____	_____
6. 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? [NCGAI 10, par. 13 (GASB Cod. Sec. 2400.111)]	_____	_____	_____
7. If a separate budgetary report is prepared, do the notes to the general purpose financial statements make reference to that report? [NCGAI 10, par. 14 (GASB Cod. Sec. 2400.112)]	_____	_____	_____
8. Does the entity disclose the excess of expenditures over appropriations in individual funds, if any, and explanations for those excesses, including remedial action planned by or required of the issuer? [NCGA 1, par. 158 and NCGAI 6, par. 4 and App. (GASB Cod. Sec. 2300.106 and .901)]	_____	_____	_____

V. Combined Statement of Revenues, Expenses, and Changes in Retained Earnings (or Equity)—All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units

A. General

1. Is a combined statement that is titled as shown above (adjusted as appropriate for the funds and units included) presented? [NCGA 1, par. 139, as amended by GASB 14 (GASB Cod. Sec. 2200.108)]	_____	_____	_____
2. Is a separate column used for each proprietary fund type, similar trust fund, and discretely presented component unit showing combined results for all funds of that type? [NCGA 1, par. 147; GASB 14, pars. 19, 45, and 46 (GASB Cod. Sec. 2200.114)]	_____	_____	_____
3. Are the revenue and expenses of proprietary funds classified in essentially the same manner as similar business organizations, trusts, or activities? [NCGA 1, par. 117, as amended by GASB 20, pars. 6 and 7 (GASB Cod. Sec. 1800.122)]	_____	_____	_____
4. Are the revenue and expenses of proprietary funds recognized in essentially the same manner as in commercial accounting? [NCGA 1, par. 74, as amended by GASB 20, pars. 6 and 7 (GASB Cod. Sec. 1600.127)]	_____	_____	_____
5. Are proprietary fund grants, entitlements, and shared revenues received for operating purposes, or that may be used for either operations or capital expenditures at the discretion of the recipient government, reported as “nonoperating” revenues? [NCGA 2, par. 12 (GASB Cod. Sec. 1800.124)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
6. Are the revenues and expenses of nonexpendable trust funds accounted for using the accrual basis of accounting? [NCGA 1, par. 57 (GASB Cod. Sec. 1600, Statement of Principle)]	_____	_____	_____
7. Does the statement reconcile either beginning and ending total fund equity or beginning and ending unreserved retained earnings/fund balances? [NCGA 1, App. A, Ex. 4 (GASB Cod. Sec. 2200.906)]	_____	_____	_____
8. If the statement presents changes in unreserved retained earnings/fund balances, are changes in the reserves during the year presented in a separate section after net income? [NCGA 1, App. A, Ex. 4 (GASB Cod. Sec. 2200.906)]	_____	_____	_____
9. If depreciation on assets acquired or constructed through capital grants is closed to contributed capital, is that amount (a) included in depreciation expense and (b) added back in the operating statement after net income but before changes in fund equity? [NCGA 2, par. 18, as amended by GASB 33, fn. 18 (GASB Cod. Sec. 1800.124)]	_____	_____	_____

B. Extraordinary Items

1. Is gain or loss resulting from an involuntary conversion of a nonmonetary asset to a monetary asset classified as either an extraordinary item or as an unusual or infrequent item, whichever is applicable? [FASBI 30, par. 4 (AC N35.118)]	_____	_____	_____
2. Are the following disclosures considered:			
a. Material events or transactions that do not meet the criteria for classification as an extraordinary item, reported as a separate component of income from continuing operations?	_____	_____	_____
b. The nature and financial effect of each transaction or event? [APB 30, par. 26 (AC I22.101)]	_____	_____	_____
3. Do disclosures include descriptions of an extraordinary event or transaction and the principal items entering into the determination of extraordinary gain or loss? [APB 30, par. 11 (AC I17.102)]	_____	_____	_____
4. Are all extraordinary items segregated from results of ordinary operations? [APB 30, par. 11 (AC I17.102)]	_____	_____	_____
5. 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, year of origin, and amount of the item disclosed? [SFAS 16, par. 16(c) (AC I17.119)]	_____	_____	_____

C. Interest Costs to Acquire Certain Assets

1. Is the following information with respect to interest cost disclosed:			
a. If no interest cost is capitalized, the amount of interest cost incurred and charged to expense during the period?	_____	_____	_____
b. If some interest cost is capitalized, the total amount of interest cost incurred during the period and the amount thereof that is capitalized? [SFAS 34, par. 21 (AC I67.118)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
D. 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?	_____	_____	_____
2. Are operating transfers reported in the "Operating Transfers Section" of the statement? [NCGA 1, par. 106, fns. 18 and 19 (GASB Cod. Sec. 1800.107)]	_____	_____	_____
E. Depreciation			
1. Are the following disclosures about depreciation made in the financial statements or in the notes:			
a. Depreciation expense for the period?	_____	_____	_____
b. A general description of the method or methods used in computing depreciation with respect to major classes of depreciable assets? [APB 12, par. 5 (AC D40.105)]	_____	_____	_____
F. Futures Contracts			
1. If the enterprise enters into futures contracts that are accounted for as hedges, are the following disclosed:			
a. The nature of the assets, liabilities, firm commitments, or anticipated transactions that are hedged with futures contracts?	_____	_____	_____
b. Method of accounting for the futures contracts, including a description of the events or transactions that result in recognition in income of changes in value of the futures contracts? [SFAS 80, par. 12 [*] ; GTB 94-1, par. 7 (GASB Cod. Sec. 2300.601)]	_____	_____	_____
G. Foreign Currency Translation			
1. Are the following disclosures made in the financial statements or the notes thereto:			
a. The aggregate transaction gain or loss included in determining net income for the period?	_____	_____	_____
b. Rate changes that occur after the date of the enterprise's financial statements and their effects on unsettled balances pertaining to foreign currency transactions, if significant?	_____	_____	_____
c. An analysis and discussion of the effects of rate changes on the reported results of operations? [SFAS 52, pars. 30, 32, 143, and 144 (AC F60.140, .142, and .143); GTB 94-1, par. 7 (GASB Cod. Sec. 2300.601)]	_____	_____	_____
H. Research and Development Costs			
1. Is disclosure 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)]	_____	_____	_____

* Although SFAS 80 was superseded by SFAS 133, as amended, it is not superseded for those governmental entities that apply FASB pronouncements issued on or before November 30, 1989.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
I. Inventories			
1. If substantial and unusual losses result from writing-down inventories to market values, are these disclosed separately from other expenses (for example, cost of goods sold) in the operating statement? [ARB 43, Ch. 4, par. 14 (AC I78.117)]	_____	_____	_____
J. Segment Information			
1. Are segment disclosures made if (a) the enterprise fund has material long-term liabilities outstanding, (b) the disclosures are essential to assure the GPFS are not misleading, ²⁵ or (c) the disclosures are necessary to assure interperiod comparability? [NCGAI 2, pars. 3, 4, and 6 (GASB Cod. Sec. 2500.102)]	_____	_____	_____
2. Are the following disclosures made for each enterprise fund identified in Step 1 above 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 revenues should be disclosed separately from amounts also potentially payable from other sources)?	_____	_____	_____
n. Total equity?	_____	_____	_____
o. Any other material facts necessary to make the GPFS not misleading? [NCGAI 2, par. 7 (GASB Cod. Sec. 2500.107)]	_____	_____	_____

²⁵ Circumstances under which segment information is necessary to make the GPFS not misleading include, but are not necessarily limited to (a) material intergovernmental operating subsidiaries to an enterprise fund, (b) material intragovernmental operating subsidiaries to or from an enterprise fund, (c) material enterprise fund tax revenues, (d) a material enterprise fund operating income or loss, and (e) a material enterprise fund net income or loss. For purposes of identifying reportable segment information, materiality should generally be evaluated in the context of individual enterprise funds, not in the context of the enterprise fund type taken as a whole. [NCGAI 2, par. 5 (GASB Cod. Sec. 2500.105)]

Yes No N/A

VI. Combined Statement of Cash Flows—All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units

A. Title

- 1. Is a combined statement that is titled as shown above (adjusted as appropriate for the funds and units included) presented?
[NCGA 1, par. 156; GASB 9, pars. 6 and 36; GASB 14, pars. 19, 45, and 46 (GASB Cod. Sec. 2200.116)] _____
- 2. Does the statement not include pension and investment trust funds, unless, for pension trust funds, the statement is considered useful?
[GASB 9, par. 5; GASB 31, par. 17 (GASB Cod. Sec. 2450.102)] _____

B. Format and Policy

- 1. Is a statement of cash flows presented for each period for which results of operations are presented?
[GASB 9, par. 6 (GASB Cod. Sec. 2450.103)] _____
- 2. Is operating income (or net income if operating income is not separately identified on the operating statement) reconciled to net cash flow from operating activities?
[GASB 9, par. 7 (GASB Cod. Sec. 2450.104)] _____
- 3. Are changes in cash and cash equivalents, regardless of whether there are restrictions on their use, disclosed?
[GASB 9, par. 8 (GASB Cod. Sec. 2450.105)] _____
- 4. Does the statement use a descriptive term, such as “cash” or “cash and cash equivalents,” rather than the term “funds”?
[GASB 9, par. 8 (GASB Cod. Sec. 2450.105)] _____
- 5. Are the total amounts of cash and cash equivalents at the beginning and end of the period shown in the statement of cash flows easily traceable to similarly titled line items or subtotals shown in the statement of financial position as of those dates?
[GASB 9, par. 8 (GASB Cod. Sec. 2450.105)] _____
- 6. If there is a change in the entity’s policy on which short-term investments are cash equivalents, are prior-year financial statements restated?
[GASB 9, par. 11 (GASB Cod. Sec. 2450.108)] _____
- 7. Generally, is information about cash receipts and cash payments presented as gross amounts rather than as net amounts?
[GASB 9, pars. 12–14 (GASB Cod. Secs. 2450.109–.111)] _____

C. Classification of Cash Receipts and Cash Payments

- 1. Are cash receipts and cash payments for the following transactions classified as cash flows from operating activities:
 - a. Cash inflows from sales of goods or services, including receipts from collection of accounts receivable and both short- and long-term notes receivable from customers arising from those sales? _____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. Cash receipts from quasi-external operating transactions with other funds?	_____	_____	_____
c. Cash receipts from grants for specific activities that are considered to be operating activities of the grantor government?	_____	_____	_____
d. Cash receipts from other funds for reimbursement of operating transactions?	_____	_____	_____
e. Cash payments to acquire materials for providing services and manufacturing goods for resale, including principal payments on accounts payable and both short- and long-term notes payable to suppliers for those materials or goods?	_____	_____	_____
f. Cash payments to other suppliers for other goods or services?	_____	_____	_____
g. Cash payments to employees for services?	_____	_____	_____
h. Cash payments for grants to other governments or organizations for specific activities that are considered to be operating activities of the grantor government?	_____	_____	_____
i. Cash payments for taxes, duties, fines, and other fees or penalties?	_____	_____	_____
j. Cash payments for quasi-external operating transactions with other funds, including payments in lieu of taxes?	_____	_____	_____
k. All other cash receipts and payments that do not result from transactions defined as capital and related financing, noncapital financing, or investing activities? [GASB 9, pars. 17 and 18 (GASB Cod. Sec. 2450.114 and .115)]	_____	_____	_____
2. Are transactions of loan programs undertaken to fulfill a governmental responsibility classified as transactions from operating activities? [GASB 9, par. 19 (GASB Cod. Sec. 2450.116)]	_____	_____	_____
3. Are cash receipts and payments for the following transactions classified as cash flows from noncapital financing activities:			
a. Proceeds from issuing bonds, notes, and other short- or long-term borrowing not clearly attributable to acquisition, construction, or improvement of capital assets?	_____	_____	_____
b. Cash receipts from grants or subsidies, except those specifically restricted for capital purposes and those for specific activities that are considered to be operating activities of the grantor government?	_____	_____	_____
c. Cash received from other funds except those amounts that are clearly attributable to acquisition, construction, or improvement of capital assets, quasi-external operating transactions, and reimbursement for operating transactions?	_____	_____	_____
d. Cash received from property and other taxes collected for the governmental enterprise and not specifically restricted for capital purposes?	_____	_____	_____
e. Repayments of amounts borrowed for purposes other than acquiring, constructing, or improving capital assets?	_____	_____	_____
f. Interest payments to lenders and other creditors on amounts borrowed or credit extended for purposes other than acquiring, constructing, or improving capital assets?	_____	_____	_____
g. Cash paid as grants or subsidies to other governments or organizations, except those for specific activities that are considered to be operating activities of the grantor government?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
h. Cash paid to other funds, except for quasi-external operating transactions? [GASB 9, pars. 21 and 22 (GASB Cod. Sec. 2450.118 and .119)]	_____	_____	_____
4. Are cash receipts and cash payments for the following transactions classified as cash flows from capital and related financing activities:			
a. Proceeds from issuing or refunding bonds, mortgages, notes, and other short- or long-term borrowing clearly attributable to the acquisition, construction, or improvement of capital assets?	_____	_____	_____
b. Receipts from capital grants awarded to the governmental enterprise?	_____	_____	_____
c. Receipts from contributions made by other funds, other governments, and other organizations or individuals for the specific purpose of defraying the cost of acquiring, constructing, or improving capital assets?	_____	_____	_____
d. Receipts from sales of capital assets; also, proceeds from insurance on capital assets that are stolen or destroyed?	_____	_____	_____
e. Receipts from special assessments or property and other taxes levied specifically to finance the construction, acquisition, or improvement of capital assets?	_____	_____	_____
f. Payments to acquire, construct, or improve capital assets?	_____	_____	_____
g. Repayments or refundings of amounts borrowed specifically to acquire, construct, or improve capital assets?	_____	_____	_____
h. Other principal payments to vendors who have extended credit to the governmental enterprise directly for purposes of acquiring, constructing, or improving capital assets?	_____	_____	_____
i. Cash payments to lenders and other creditors for interest directly related to acquiring, constructing, or improving capital assets? [GASB 9, pars. 24 and 25 (GASB Cod. Sec. 2450.121 and .122)]	_____	_____	_____
5. Are cash receipts and cash payments for the following transactions classified as cash flows from investing activities:			
a. Receipts from collections of loans (except program loans) made by the governmental enterprise and sales of other entities' debt instruments (other than cash equivalents) that are purchased by the governmental enterprise?	_____	_____	_____
b. Receipts from sales of equity instruments and from returns of investment in those instruments?	_____	_____	_____
c. Interest and dividends received as returns on loans (except program loans), debt instruments of other entities, equity securities, and cash management of investment pools?	_____	_____	_____
d. Withdrawals from investment pools that the governmental enterprise is not using as demand accounts?	_____	_____	_____
e. Disbursements for loans (except program loans) made by the governmental enterprise and payments to acquire debt instruments of other entities (other than cash equivalents)?	_____	_____	_____
f. Payments to acquire equity instruments?	_____	_____	_____
g. Deposits into investment pools that the governmental enterprise is not using as demand accounts? [GASB 9, pars. 27 and 28 (GASB Cod. Sec. 2450.124 and .125)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
D. Content and Form			
1. Does the statement of cash flows report net cash provided or used in each of the four categories, as well as the net effect of those flows on cash and cash equivalents during the period in a manner that reconciles beginning and ending cash and cash equivalents? [GASB 9, par. 30 (GASB Cod. Sec. 2450.127)]	_____	_____	_____
2. If net cash flows from operating activities are reported using the direct method, are the following classes of operating cash receipts and payments separately reported:			
a. Cash receipts from customers?	_____	_____	_____
b. Cash receipts from quasi-external operating transactions with other funds?	_____	_____	_____
c. Other operating cash receipts, if any?	_____	_____	_____
d. Cash payments to employees for services?	_____	_____	_____
e. Cash payments to other suppliers of goods or services?	_____	_____	_____
f. Cash payments for quasi-external operating transactions with other funds, including payments in lieu of taxes?	_____	_____	_____
g. Other operating cash payments, if any? [GASB 9, par. 31 (GASB Cod. Sec. 2450.128)]	_____	_____	_____
3. Are net cash flows from operating activities reported indirectly by adjusting operating income (or net income if operating income is not separately identified on the operating statement) to reconcile it to net cash flow from operating activities? [GASB 9, par. 32 (GASB Cod. Sec. 2450.129)]	_____	_____	_____
a. If answer is "yes":			
(1) Is operating income adjusted to remove the effects of depreciation, amortization, and other deferrals of past operating cash receipts and payments, such as changes during the period in inventory, deferred revenue, and the like, and all accruals of expected future operating and cash receipts and payments, such as changes during the period in receivables and payables?	_____	_____	_____
(2) If the reconciliation is to net income rather than operating income, are the effects of all items whose cash effects were capital and related financing, noncapital financing, or investing cash flows removed? [GASB 9, par. 32 (GASB Cod. Sec. 2450.129)]	_____	_____	_____
4. Is a reconciliation of operating income (or net income if operating income is not separately identified on the operating statement) to net cash flow from operating activities provided regardless of whether the direct or indirect method of reporting net cash flow from operating activities is used? [GASB 9, par. 33 (GASB Cod. Sec. 2450.130)]	_____	_____	_____
5. Does the reconciliation separately report all major classes of reconciling items, at a minimum, changes during the period in receivables pertaining to operating activities, in inventory, and in payables pertaining to operating activities? [GASB 9, par. 33 (GASB Cod. Sec. 2450.130)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
6. If the direct method is used, is the reconciliation of operating income (or net income if operating income is not separately identified on the operating statement) to net cash flow from operating activities provided in a separate schedule? [GASB 9, par. 34 (GASB Cod. Sec. 2450.131)]	_____	_____	_____
7. If the indirect method is used, is the reconciliation reported within the operating activities section of the statement of cash flows or provided in a separate schedule? [GASB 9, par. 34 (GASB Cod. Sec. 2450.131)]	_____	_____	_____
8. If the reconciliation is presented within the operating activities section of the statement of cash flows, are all the adjustments to operating income (or net income if operating income is not separately identified on the operating statement) to determine cash flow from operating activities clearly identified as reconciling items? [GASB 9, par. 34 (GASB Cod. Sec. 2450.131)]	_____	_____	_____
9. Is only one method (direct or indirect) used in the combined statement of cash flows? [GASB 9, par. 36 (GASB Cod. Sec. 2450.133)]	_____	_____	_____

E. Noncash Investing, Capital, and Financing Activities

1. Is information about all investing, capital, and financing activities of a governmental enterprise during a period that affected recognized assets or liabilities but did not result in cash receipts or cash payments for the period reported? [GASB 9, par. 37 (GASB Cod. Sec. 2450.134)]	_____	_____	_____
2. Is the information presented in a separate schedule (narrative or tabular)? [GASB 9, par. 37 (GASB Cod. Sec. 2450.134)]	_____	_____	_____
3. Does it clearly describe the cash and noncash aspects of transactions involving similar items? [GASB 9, par. 37 (GASB Cod. Sec. 2450.134)]	_____	_____	_____

Appendix A: GASB 20—Proprietary Activities and Post-November 30, 1989 FASB and AICPA Pronouncements

GASB 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, provides guidance on the applicability of FASB pronouncements to those funds and entities—called “proprietary activities.” It provides that all proprietary activities should apply FASB pronouncements issued on or before November 30, 1989, provided that they do not conflict with or contradict GASB pronouncements. GASB 20, paragraph 7 also provides that proprietary activities may elect to apply *all* FASB pronouncements issued after November 30, 1989, *except* for those that conflict with or contradict GASB pronouncements. The following chart lists FASB pronouncements issued between December 1989 and May 2001 and indicates their applicability to proprietary activities that apply paragraph 7 of GASB 20. This chart is adapted from the nonauthoritative chart that is available on the GASB Web site at <http://www.gasb.org>, which is periodically updated for new FASB pronouncements. Check the GASB Web site for information about the applicability of FASB pronouncements issued after May 2001 as well as for any changes to the following guidance.

Applicability of FASB Pronouncements under GASB 20, paragraph 7

FASB Statements	Apply?
SFAS 103, <i>Accounting for Income Taxes—Deferral of the Effective Date of FASB Statement No. 96</i>	Not applicable to governments.
SFAS 104, <i>Statement of Cash Flows—Net Reporting of Certain Cash Receipts and Cash Payments and Classification of Cash Flows from Hedging Transactions</i>	Yes—See par. 74 of GASB 9.
SFAS 105, <i>Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk</i>	No—Superseded by SFAS 133.
SFAS 106, <i>Employers' Accounting for Postretirement Benefits Other Than Pensions</i>	Optional based on GASB 12. Entities may apply the provisions of GASB 27.
SFAS 107, <i>Disclosures about Fair Value of Financial Instruments</i>	Yes. However, many investments would be reported at fair value based on GASB 31.
SFAS 108, <i>Accounting for Income Taxes—Deferral of the Effective Date of FASB Statement No. 96, and SFAS 109, Accounting for Income Taxes</i>	Not applicable to governments.
SFAS 110, <i>Reporting by Defined Benefit Pension Plans of Investment Contracts</i>	No—Apply GASB 25.
SFAS 111, <i>Rescission of FASB Statement No. 32 and Technical Corrections</i>	Yes
SFAS 112, <i>Employers' Accounting for Postemployment Benefits</i>	Optional based on GASB 12.
SFAS 113, <i>Accounting and Reporting for Reinsurance of Short-Duration and Long-Duration Contracts</i>	No—Apply GASB 10.
SFAS 114, <i>Accounting by Creditors for Impairment of a Loan</i>	Yes
SFAS 115, <i>Accounting for Certain Investments in Debt and Equity Securities</i>	No—Apply GASB 31.
SFAS 116, <i>Accounting for Contributions Received and Contributions Made</i>	No ²⁶
SFAS 117, <i>Financial Statements of Not-for-Profit Organizations</i>	No ²⁷
SFAS 118, <i>Accounting for Creditors for Impairment of a Loan—Income Recognition and Disclosures</i>	Yes
SFAS 119, <i>Disclosures about Derivative Financial Instruments and Fair Value of Financial Instruments</i>	No—Superseded by SFAS 133.
SFAS 120, <i>Accounting and Reporting by Mutual Life Insurance Enterprises and by Insurance Enterprises for Certain Long-Duration Participating Contracts</i>	Yes
SFAS 121, <i>Accounting for Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of</i>	Yes
SFAS 122, <i>Accounting for Mortgage Servicing Rights</i>	No. Superseded by SFAS 125.

²⁶ GASB 29, *The Use of Not-for-Profit Accounting and Financial Reporting Principles by Governmental Entities*, provides that proprietary activities should apply only those FASB Statements and Interpretations issued after November 30, 1989, that are developed for business enterprises. They should not apply FASB Statements and Interpretations whose provisions are limited to not-for-profit organizations, such as SFAS 117 and SFAS 124, or address issues concerning primarily such organizations, such as SFAS 116.

²⁷ See footnote 26.

FASB Statements	Apply?
SFAS 123, <i>Accounting for Stock-Based Compensation</i>	Not applicable to governments.
SFAS 124, <i>Accounting for Certain Investments Held by Not-for-Profit Organizations</i>	No ²⁸
SFAS 125, <i>Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i>	In Part—In process of being superseded by SFAS 140. See below.
SFAS 126, <i>Exemption from Certain Required Disclosures about Financial Instruments for Certain Nonpublic Entities (an amendment of FASB Statement No. 107)</i>	Decision on whether to discontinue application of SFAS 107 should be based on the prevalent practice in the reporting entity's industry (such as healthcare, power utility, and so forth).
SFAS 127, <i>Deferral of the Effective Date of Certain Provisions of FASB Statement No. 125</i>	In Part—See SFAS 125, above. Defers transfer and collateral provisions that are not in conflict with GASB 3, 7, 23, and 28.
SFAS 128, <i>Earnings per Share</i>	Not applicable to government.
SFAS 129, <i>Disclosure of Information about Capital Structure</i>	Yes. Par. 4 applies to debt issued by all entities.
SFAS 130, <i>Reporting Comprehensive Income</i>	Gains and losses recognized in other comprehensive income are limited to foreign currency translation adjustments (SFAS 130, par. 17 and SFAS 52, par. 18) and certain cash flow hedge gains and losses (SFAS 133, pars. 18c and 30).
SFAS 131, <i>Financial Reporting for Segments of a Business Enterprise</i>	No—NCGAI 2 establishes segment reporting requirements for governments.
SFAS 132, <i>Employers' Disclosures about Pensions and Other Postretirement Benefits</i>	Yes—but only for provisions that amend disclosures required by SFAS 106, which is optional for entities that adopt par. 7 of GASB 20. (See above.) Disclosures related to SFAS 87 and 88 do not apply.
SFAS 133, <i>Accounting for Derivative Instruments and Hedging Activities</i>	In Part—The for-profit guidance of SFAS 133 applies to the extent it does not conflict with GASB pronouncements such as GASB 31 (see the SFAS 130 discussion for guidance on reporting other comprehensive income).
SFAS 134, <i>Accounting for Mortgage-Backed Securities Retained after the Securitization of Mortgage Loans Held for Sale by a Mortgage Banking Enterprise</i>	No—relates to classifications of securities under SFAS 115. See SFAS 115 above.
SFAS 135, <i>Rescission of FASB Statement No. 75 and Technical Corrections</i>	Yes—to the extent that it corrects currently applicable FASB pronouncements, including those issued before and after November 30, 1989.

(continued)

²⁸ See footnote 26.

FASB Statements	Apply?
SFAS 136, <i>Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others</i>	No ²⁹
SFAS 137, <i>Accounting for Derivative Instruments and Hedging Activities—Deferral of the Effective Date of FASB Statement No. 133</i>	Yes—see SFAS 133 above.
SFAS 138, <i>Accounting for Certain Derivative Instruments and Certain Hedging Activities</i>	Yes—see SFAS 133 above.
SFAS 139, <i>Rescission of FASB Statement No. 53 and amendments to FASB Statements No. 63, 89, and 121</i>	Yes
SFAS 140, <i>Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i>	In Part—portions pertaining to reverse repurchase agreements, securities lending transactions, measurement of investments, and extinguishments of debt should not be applied. See GASB 3, 7, 23, 28, and 31.

FASB Interpretations	Apply?
FASBI 39, <i>Offsetting of Amounts Related to Certain Contracts</i>	Yes ³⁰
FASBI 40, <i>Applicability of Generally Accepted Accounting Principles to Mutual Life Insurance and Other Enterprises</i>	Yes—however, the GASB is aware of only one governmental entity that is a mutual life insurance entity.
FASBI 41, <i>Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements</i>	No—provisions of GASB 3, par. 81, apply.
FASBI 42, <i>Accounting for Transfers of Assets In Which a Not-for-Profit Organization is Granted Variance Power</i>	No ³¹
FASBI 43, <i>Real Estate Sales</i>	Yes
FASBI 44, <i>Accounting for Certain Transactions involving Stock Compensation</i>	Not applicable to government.

FASB Technical Bulletins ³²	Apply?
FTB 94-1, <i>Application of Statement 115 to Debt Securities Restructured in a Troubled Debt Restructuring</i>	No. See SFAS 115.
FTB 97-1, <i>Accounting Under Statement 123 for Certain Employee Stock Purchase Plans with a Look-Back Option</i>	No. See SFAS 123.

²⁹ See footnote 26.

³⁰ This Interpretation does not apply to reinsurance transactions of public entity risk pools, however, which are addressed in GASB 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

³¹ See footnote 26.

³² GASB and FASB Technical Bulletins are issued by the GASB and FASB staff. In the hierarchy of generally accepted accounting principles (GAAP), Technical Bulletins constitute level b GAAP guidance, after Statements and Interpretations. Technical Bulletins may be issued if a majority of the Board does not object to their issuance.

Applicability of AICPA Pronouncements under GASB 20, paragraph 7

Paragraph 33 in the Basis for Conclusions of GASB 20 also provides that AICPA pronouncements issued after November 30, 1989, and not specifically made applicable to governmental entities should be applied using the same logic used in the application of FASB pronouncements. Many of the AICPA pronouncements issued after November 30, 1989, provide guidance on specialized industries. However, preparers should note these AICPA pronouncements in particular:

- Audit and Accounting Guide, *Audits of Credit Unions*
- Audit and Accounting Guide, *Audits of Savings Institutions*
- Statement of Position (SOP) 93-7, *Reporting on Advertising Costs*
- SOP 94-6, *Disclosure of Certain Risks and Uncertainties*
- SOP 96-1, *Environmental Remediation Liabilities*
- SOP 97-1, *Accounting by Participating Mortgage Loan Borrowers*
- SOP 97-3, *Accounting by Insurance and Other Enterprises for Insurance-Related Assessments*
- SOP 98-1, *Accounting for Computer Software Developed or Obtained for Internal Use*
- SOP 98-5, *Reporting on the Costs of Start-Up Activities*

The Audit and Accounting Guides, *Audits of Property and Liability Insurance Companies* and *Audits of Providers of Health Care Services*, and SOP 98-2, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fund Raising*, were cleared by the GASB and include governmental entities in their scope. For this reason, these Guides constitute level b guidance in the hierarchy of generally accepted accounting principles for all proprietary activities regardless of the provisions of GASB 20.

Appendix B: GASB 38

GASB 38, *Certain Financial Statement Note Disclosures*, generally is effective at the same time as GASB 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, with early implementation encouraged. The disclosures in this appendix should be included in an entity’s notes to financial statements if GASB 38 is implemented before GASB 34 is implemented. In addition, GASB 38, par. 8, rescinds the requirement in NCGA 1, par. 92, to disclose the accounting policy for encumbrances. Note that these disclosure requirements are not included in the Non-GASB 34 Edition of the GASB *Codification*.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Does the summary of significant accounting policies disclose the length of time used to define <i>available</i> for purposes of revenue recognition in the governmental fund financial statements? [GASB 38, par. 7]	_____	_____	_____
2. Does the disclosure of significant violations of finance-related legal or contractual provisions identify actions taken to address such violations? [GASB 38, par. 9]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
3. Do the notes disclose the following details of debt service requirements to maturity:			
<i>a.</i> Principal and interest requirements to maturity, presented separately, for each of the five subsequent fiscal years and in five-year increments thereafter? (Interest requirements for variable-rate debt should be determined using the rate in effect at the financial statement date.)	_____	_____	_____
<i>b.</i> The terms by which interest rates change for variable-rate debt? [GASB 38, par. 10]	_____	_____	_____
4. Do the notes disclose the future minimum payments for each of the five subsequent fiscal years and in five-year increments thereafter for its obligations under capital and noncancelable operating leases? [GASB 38, par. 11]	_____	_____	_____
5. Do the notes disclose details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end, including the following:			
<i>a.</i> A schedule of changes in short-term debt, disclosing beginning- and end-of-year balances, increases, and decreases?	_____	_____	_____
<i>b.</i> The purpose for which the short-term debt was issued? [GASB 38, par. 12]	_____	_____	_____
6. Do the notes provide details about balances of receivables and payable when significant components of those accounts have been obscured by the aggregation of those accounts in the financial position statements? [GASB 38, par. 13]	_____	_____	_____
7. Do the notes disclose significant receivable balances not expected to be collected within one year of the date of the financial statements? [GASB 38, par. 13]	_____	_____	_____

FSP Section 13,400*

Auditors' Reports Checklist

.01 This checklist has been developed by the staff of the Accounting and Auditing Publications Team of the AICPA as a nonauthoritative practice aid. This checklist contains the basic requirements for reporting on an audit of the financial statements in accordance with GAAS report and not for all reports required to be issued in a GAS or single audit.

.02 Illustrative auditor's reports on financial statements are in the AICPA Audit and Accounting Guide *Audits of State and Local Governmental Units (Non-GASB 34 Edition)*, Appendix A.

.03 Explanation of References:

- NCGA = National Council on Governmental Accounting Statement
- SAS = AICPA Statements on Auditing Standards
- AU = Section number in AICPA *Professional Standards* (vol. 1)
- GASB Cod. Sec. = *Codification of Governmental Accounting and Financial Reporting Standards (Non-GASB 34 Edition)*, by the Governmental Accounting Standards Board (as of June 30, 2001)
- AAG-SLG = AICPA Audit and Accounting Guide *Audits of State and Local Governmental Units (Non-GASB 34 Edition)* (with conforming changes as of May 1, 2002)

.04 Checklist Questionnaire:

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Does the auditors' report include the appropriate:			
a. Addressee? [SAS 58, par. 9, as amended by SAS 79 (AU 508.09)]	_____	_____	_____
b. Date (or dual dates) of the report? [SAS 1, sec. 530.05 (AU 530.05); SAS 58, pars. 8j and 28, as amended by SAS 79 (AU 508.08j and .28)]	_____	_____	_____
c. A title that includes the word "independent"? [SAS 58, par. 8a, as amended by SAS 79 (AU 508.08a)]	_____	_____	_____
2. If the auditor is not independent, is the appropriate disclaimer expressed, regardless of the extent of services provided? [SAS 26, pars. 5, 9, and 10 (AU 504.05, .09, and .10)]	_____	_____	_____
3. Does the reporting language conform with the auditor's standard report on:			
a. Financial statements of a single year or period?	_____	_____	_____
b. Comparative financial statements? [SAS 58, par. 8, as amended by SAS 79 (AU 508.08)]	_____	_____	_____

* As discussed in FSP Section 13,000.01, this checklist does not incorporate the provisions of the AICPA Audit and Accounting Guide *Audits of State and Local Governments (GASB 34 Edition)*, which addresses auditing and reporting on financial statements prepared in conformity with GASB 34, as amended and interpreted. Users applying that Guide should refer to the version of these checklists and illustrative financial statements that incorporates those provisions.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. An identification of the United States of America as the country of origin of the generally accepted auditing standards and generally accepted accounting principles referred to in the report? [SAS 58, par. 8, as amended by SAS 93 (AU 508.08 <i>d</i> and <i>h</i>)]	_____	_____	_____
4. Does the report include appropriate language for the following situations:			
a. Only one basic financial statement is presented and there are no scope limitations? [SAS 58, pars. 33 and 34, as amended by SAS 79 (AU 508.33 and .34)]	_____	_____	_____
b. Audited and unaudited financial statements are presented in comparative form? [SAS 26, pars. 15–17 (AU 504.15–.17)]	_____	_____	_____
c. The financial statements are presented on a comparative basis? [SAS 84, par. 13 (AU 315.13); SAS 58, pars. 67 and 74, as amended by SAS 79 (AU 508.67 and .74)]	_____	_____	_____
5. Does the auditor’s report precede the basic financial statements? [NCGA 1, pars. 136 and 166, as amended by GASB 14 (GASB Cod. Sec. 2200.104)]	_____	_____	_____
6. Does the report specifically identify in the introductory paragraph each financial statement audited? [SAS 58, par. 6, as amended by SAS 79 (AU 508.06)]	_____	_____	_____
7. If applicable, does the report indicate the division of responsibility between the principal and other auditors and the magnitude of the portion of the financial statements audited by other auditors? [SAS 58, pars. 12 and 13 (AU 508.12 and .13); SAS 1, sec. 543 (AU 543.03 and .07)]	_____	_____	_____
a. If reference is made to the other auditors, does disclosure of the magnitude of the financial statements audited by the other auditors include an identification of the fund types, account groups, or discretely presented component unit columns in which the amounts are included? [SAS 1, sec. 543 (AU 543.03 and .07); SAS 58, pars. 12 and 13 (AU 508.12 and .13); AAG-SLG, par. 3.09]	_____	_____	_____
8. Is explanatory language added to the standard auditor’s report if:			
a. The financial statements contain a departure from an accounting principle promulgated by bodies designated by the AICPA Council to establish such principles? [SAS 58, pars. 14 and 15 (AU 508.14 and .15)]	_____	_____	_____
b. The auditor concludes that there is substantial doubt about the entity’s ability to continue as a going concern for a reasonable period of time, and is that conclusion expressed through the use of the phrase “substantial doubt about its (the entity’s) ability to continue as a going concern”? ¹ [SAS 59, par. 13, as amended by SAS 64, par. 1 and SAS 77 (AU 341.12 and .13)]	_____	_____	_____

¹ If the auditor concludes that the entity’s disclosures with respect to the entity’s ability to continue as a going concern for a reasonable period of time are inadequate, a departure from generally accepted accounting principles exists. This may result in either a qualified (except for) or an adverse opinion. Reporting guidance for such situations is provided in AU 508.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. There is a material change between periods in accounting principles or in the method of their application? [SAS 58, pars. 16–18, as amended by SAS 79 (AU 508.16–.18)]	_____	_____	_____
d. In an updated report on comparative financial statements, the opinion on the prior period is different from the one previously expressed? [SAS 58, pars. 68 and 69, as amended by SAS 79 (AU 508.68 and .69)]	_____	_____	_____
e. Supplementary information required by the FASB or the GASB is omitted; the presentation of such information departs materially from FASB or GASB guidelines; the auditor is unable to complete prescribed procedures with respect to such information; or the auditor is unable to remove substantial doubts about whether the supplementary information conforms to FASB or GASB guidelines? [SAS 52, par. 2 (AU 558.08)]	_____	_____	_____
f. Other information in a document containing audited financial statements is materially inconsistent with information appearing in the financial statements? (See also Step 13.) [SAS 8, par. 4 (AU 550.04); SAS 29, par. 9 (AU 551.09)]	_____	_____	_____
g. A matter regarding the financial statements needs to be emphasized? [SAS 58, par. 19, as amended by SAS 79 (AU 508.19); Interpretation 3 of SAS 1, sec. 410 (AU 9410.17 and .18); Interpretation 1 of SAS 57 (AU 9342.03)]	_____	_____	_____
h. The auditor uses the work of a specialist in performing an audit and the auditor decides to add an explanatory paragraph? [SAS 73, par. 16 (AU 336.16)]	_____	_____	_____
9. If the financial statements of a prior period are audited by a predecessor auditor whose report is not presented, does the successor auditor's report indicate in the introductory paragraph:			
a. The financial statements of the prior period are audited by another auditor?	_____	_____	_____
b. The date of the predecessor's report?	_____	_____	_____
c. The type of report issued by the predecessor auditor?	_____	_____	_____
d. If the report is other than a standard report, the substantive reasons therefor?	_____	_____	_____
e. If the prior year's financial statements are restated, a statement that a predecessor auditor reported on the financial statements of the prior period before restatement?	_____	_____	_____
(1) If a successor auditor applies sufficient procedures to satisfy himself or herself as to the appropriateness of the restatement adjustments, does he or she report on it in accordance with paragraph 2 of SAS 64? [SAS 58, as amended by SAS 64, par. 2 and SAS 79 (AU 508.74)]	_____	_____	_____
10. Is a qualified opinion or disclaimer of opinion considered if scope limitations preclude application of one or more auditing procedures considered necessary in the circumstances? [SAS 31, par. 22, as amended by SAS 80 (AU 326.25); SAS 58, pars. 22–34, as amended by SAS 79 (AU 508.22–.34)]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<p>Note: Consult the AU Topical Index to the AICPA <i>Professional Standards</i>, under "Scope of Audit—Limitations" for additional references to specific types of scope limitations that could result in either a qualified or disclaimer of opinion.</p>			
11. If a modified report is issued due to a scope limitation: ²			
a. Does the report include an explanatory paragraph that precedes the opinion paragraph and is the explanatory paragraph referred to in both the scope and opinion paragraphs? [SAS 58, par. 25, as amended by SAS 79 (AU 508.25)]	_____	_____	_____
b. Does the opinion paragraph indicate that the qualification pertains to the possible effects on the financial statements and not to the scope limitation itself (for example, that the qualification is because the auditor is unable to reach a conclusion on one or more matters material to the financial statements, rather than because his or her procedures are restricted)? [SAS 58, par. 26, as amended by SAS 79 (AU 508.26)]	_____	_____	_____
12. If the auditor is engaged to audit the combining and individual fund and account group financial statements in addition to a General Purpose Financial Statement (GPFS), does the auditor's opinion address each presentation as a primary statement? [AAG-SLG, par. 18.43]	_____	_____	_____
13. If additional information, including statistical data, accompanies the GPFS in an auditor-submitted document, does the report on the accompanying information:			
a. State that the audit has been performed for the purpose of forming an opinion on the GPFS taken as a whole?	_____	_____	_____
b. Specifically identify the accompanying information?	_____	_____	_____
c. State that the accompanying information is presented for purposes of additional analysis and is not a required part of the GPFS?	_____	_____	_____
d. State whether the accompanying information has been subjected to the auditing procedures applied in the audit of the GPFS and make the appropriate expression of opinion or disclaimer? [SAS 29, pars. 6–11 (AU 551.06–.11); AAG-SLG, pars. 18.37, 18.38, 18.42, and 18.43]	_____	_____	_____
14. Is a qualified opinion or adverse opinion expressed if the following circumstances are present:			
a. The financial statements contain a material departure from GAAP (including inadequate disclosure)? ³ [SAS 32, par. 3 (AU 431.03); SAS 58, pars. 35–57, as amended by SAS 79 (AU 508.35–.57)]	_____	_____	_____

² This includes when the auditor is unable to obtain sufficient, evidential matter to support management's assertions about the nature of a matter involving an uncertainty and its presentation or disclosure in the financial statements. [SAS 58, as amended by SAS 79, par. 31 (AU 508.31)]

³ The auditor should express a qualified or an adverse opinion if the auditor concludes that (a) a matter involving a risk or an uncertainty is not adequately disclosed in conformity with GAAP, (b) the accounting principles used cause the financial statements to be materially misstated when the inability to make a reasonable estimate raises questions about the appropriateness of the accounting principles used, and (c) management's estimate is unreasonable and that its effect is to cause the financial statements to be materially misstated. [SAS 58, pars. 46–49, as amended by SAS 79 (AU 508.46–.49)]

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. Essential data concerning an impending change in GAAP and the future resulting restatement are not disclosed? [Interpretation 38 of SAS 1, sec. 410 (AU 9410.15)]	_____	_____	_____
c. The auditor concludes that an illegal act has a material effect on the financial statements, and the act has not been properly accounted for or disclosed? [SAS 54, par. 18 (AU 317.18)]	_____	_____	_____
d. In a reaudit engagement, the auditor, as a successor auditor, is unable to obtain sufficient competent evidential matter to express an opinion on the financial statements? [SAS 84, par. 18 (AU 315.18)]	_____	_____	_____
e. The reporting entity includes some, but not all, component units in the reporting entity financial statements? [AAG-SLG, par. 18.45]	_____	_____	_____
f. Financial statements for funds, fund types, or account groups that should be included in the GPFS (such as the general fixed assets account group or an enterprise fund) are omitted?	_____	_____	_____
(1) Does the qualified or adverse auditor's report include an explanatory paragraph that describes the omitted fund, fund type, or account group?	_____	_____	_____
(2) Does the explanatory paragraph disclose the effects on the financial statements, if reasonably determinable? [AAG-SLG, par. 18.46]	_____	_____	_____

Note: Consult the AU Topical Index to the AICPA *Professional Standards*, under "Departures from Established Principles," "Adverse Opinions," and "Qualified Opinions" for additional references to specific types of GAAP departures that could result in either a qualified or adverse opinion.

15. If the auditor is engaged to audit financial statements of a primary government that omit the financial data of each component unit, does the auditors' report:			
a. Indicate that the financial statements are those of the primary government and not of the financial reporting entity?	_____	_____	_____
b. Define the term primary government?	_____	_____	_____
c. Give an appropriate opinion on the primary government financial statements?	_____	_____	_____
d. Opine that the primary government financial statements do not fairly present financial position and results of operations of the financial reporting entity in conformity with GAAP? [AAG-SLG, par. 18.44]	_____	_____	_____
16. If the auditor is engaged to audit financial statements of only a specified fund or group of funds that are not intended to fairly present 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 paragraph stating that the financial statements are not intended to present financial position and results of operations of the reporting entity or component unit? [AAG-SLG, par. 18.47]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
17. If the auditor is engaged to audit financial statements that include an unaudited component unit, has the auditor considered a qualification or disclaimer of opinion, depending on the materiality of the unaudited component unit to the governmental unit's financial statements? [AAG-SLG, par. 18.48]	_____	_____	_____
18. If the auditor is engaged to audit financial statements of a department or agency that constitutes less than a fund, does the auditor's report include a paragraph that indicates that the statements present information for only a portion of the financial reporting entity? [AAG-SLG, par. 18.49]	_____	_____	_____
19. In the situation of a joint audit, for example, with a minority or smaller CPA firm, is the report on the audit signed by the principal auditor if the principle auditor has been able to satisfy himself/herself as to the performance of the other auditor as provided in SAS 1, section 543? [AAG-SLG, pars. 18.54 and 18.55; SAS 1, sec. 543, par. 4 (AU 543.04)]	_____	_____	_____
20. If a qualified opinion, adverse opinion, or disclaimer of opinion is expressed, are all the substantive reasons for the qualification or disclaimer disclosed and is the reporting language appropriately modified? [SAS 58, pars. 21, 59, 61, and 62, as amended by SAS 79 (AU 508.21, .59, .61, and .62)]	_____	_____	_____

Note: Consult the AU Topical Index to the AICPA *Professional Standards*, under "Departures from Standard Report" for additional references to specific auditor's report modifications.

21. Is the reporting form and content of SAS 60, paragraphs 9–19, followed when communicating internal control-related matters noted in an audit? ⁴ [SAS 60, pars. 9–19, as amended by SAS 87 (AU 325.09–.19)]	_____	_____	_____
22. If during a GAAS audit of the financial statements the auditor becomes aware that the entity is subject to an audit requirement not encompassed in the terms of the engagement, did the auditor consider the client's actions in response to such communication including the potential effect on the financial statements and auditor's report? [SAS 74, pars. 22 and 23 (AU 801.22 and .23)]	_____	_____	_____
23. Is the reporting form and content of SAS 61, as amended by SAS 89, followed when communicating certain matters related to the conduct of the audit to those who have responsibility for oversight of the financial reporting process? [SAS 61, pars. 3 and 6–16, as amended by SAS 89, par. 7 (AU 380.03 and .06–.16)]	_____	_____	_____

⁴ Reportable conditions in internal control must be communicated, preferably in writing, to the audit committee or to individuals with a level of authority and responsibility equivalent to an audit committee in organizations that do not have one. The auditor may also identify matters that, in his judgment, are not reportable conditions; however, the auditor may choose to communicate such matters for the benefit of management (and other recipients, as appropriate). [SAS 60, pars. 1–3 and 9 (AU 325.01–.03 and .09); AU 9311.47]

FSP Section 13,500

Auditors' Reports on Audits Performed Under Government Auditing Standards and OMB Circular A-133 Checklist

.01 This checklist has been developed by the staff of the Accounting and Auditing Publications Team of the AICPA as a nonauthoritative practice aid.

.02 This checklist has two parts: Part I is for auditors' reports on financial audits performed under *Government Auditing Standards* (GAS, which is also known as the *Yellow Book*). (This checklist does not address the performance auditing standards of GAS.) Part II contains the additional requirements for auditors' reports on audits performed under the Single Audit Act Amendments of 1996 in accordance with OMB Circular A-133. For audits performed under Circular A-133, both Parts I and II of this checklist must be completed. Illustrative auditor's reports on financial audits performed under *Government Auditing Standards* are in the AICPA Audit and Accounting Guide *Audits of State and Local Governmental Units* (Non-GASB 34 Edition), Appendix A. Illustrative auditor's reports and an illustrative schedule of findings and questioned costs for OMB Circular A-133 audits are in AICPA Statement of Position (SOP) 98-3, *Audits of States, Local Governments, and Not-for-Profit Organizations Receiving Federal Awards*, Appendixes D and E.

.03 Explanation of References:

A-133 =	Office of Management and Budget (OMB) Circular A-133, <i>Audits of States, Local Governments, and Non-Profit Organizations</i> (June 1997 Revision)
GAS =	General Accounting Office 1994 revision to <i>Government Auditing Standards</i> , as amended through Amendment 3, <i>Independence</i>
SAS =	AICPA Statement on Auditing Standards
AU =	Reference to section number in AICPA <i>Professional Standards</i> (vol. 1)
SOP =	AICPA Statement of Position
AAG-SLG =	AICPA Audit and Accounting Guide <i>Audits of State and Local Governmental Units</i> (Non-GASB 34 Edition) (with conforming changes as of May 1, 2002)

.04 Checklist Questionnaire:

Yes No N/A

Part I—Reports on Audits Performed in Accordance with *Government Auditing Standards*

1. In a financial audit performed in accordance with GAS, are the following reports issued:

a. A report on the entity's financial statements?¹

¹ See the checklist for auditor's reports on the financial statements at section 13,400.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
b. A report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with GAS? [GAS, Ch. 5, pars. 2 and 15; SOP 98-3, par. 10.15]	_____	_____	_____

Report on the Financial Statements

2. Does the auditor’s report on the financial statements:			
a. Contain a statement that the audit was conducted in accordance with GAAS (with an identification of the United States of America as the country of origin of those standards) and with the standards applicable to financial audits contained in <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States? ^{2,*} [GAS, Ch. 5, par. 11; SOP 98-3, pars. 10.16(a) and 10.35]	_____	_____	_____
b. Either describe the scope of the auditors’ testing of compliance with laws and regulations and internal controls and present the results of these tests or refer to separate reports containing that information? [GAS, Ch. 5, par. 15; SOP 98-3, pars. 10.16(b) and 10.35]	_____	_____	_____
3. If a material component unit or fund of the reporting entity is not required to have a GAS audit, has the scope paragraph of the report on the financial statements been modified to indicate the portion of the reporting entity that was not audited in accordance with GAS? [SOP 98-3, par. 10.32]	_____	_____	_____

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With GAS

4. Does the report on compliance and on internal control over financial reporting conform to the standard reports illustrated in Examples 2 and 2a in SOP 98-3? [SOP 98-3, App. D]	_____	_____	_____
5. Does the report contain the following elements:			
a. A statement that the auditor has audited the financial statements of the auditee and a reference to the auditor’s report on the financial statements, including a description of any departure from the standard report (for example, a qualified opinion, a modification as to consistency because of a change in accounting principle, or a reference to the report of other auditors)? [SOP 98-3, par. 10.39 and App. D, Ex. 2, fn. 14]	_____	_____	_____
b. A statement that the audit was conducted in accordance with GAAS (with an identification of the United States of America as the country of origin of those standards) and with the standards applicable to financial audits contained in <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States?	_____	_____	_____

² GAS must be referenced when the report on the financial statements is submitted to comply with a legal, regulatory, or contractual requirement for an audit in accordance with GAS.

* *Government Auditing Standards* Amendment No. 3, *Independence*, par. 3.13, states that when personal, external, or organizational independence is impaired, a government auditor who cannot decline to perform the work because of a legislative requirement or other reasons should report the impairment in the scope section of the auditor’s report. Amendment No. 3 applies to all audits of financial statements performed in accordance with GAS for periods beginning on or after October 1, 2002. GAO encourages early implementation of the provisions of the amendment.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
c. A statement that as part of obtaining reasonable assurance about whether the auditee's financial statements are free of material misstatement, the auditor performed tests of the auditee's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts?	_____	_____	_____
d. A statement that providing an opinion on compliance with those provisions was not an objective of the audit and that, accordingly, the auditor does not express such an opinion?	_____	_____	_____
e. A statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under GAS and, if they are, describes the instances of noncompliance or refers to the schedule of findings and questioned costs in which they are described? ³	_____	_____	_____
f. If applicable, a statement that certain immaterial instances of noncompliance were communicated to management in a separate letter?	_____	_____	_____
g. A statement that in planning and performing the audit, the auditor considered the auditee's internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting?	_____	_____	_____
h. If applicable, a statement that reportable conditions were noted and the definition of a reportable condition?	_____	_____	_____
i. If no reportable conditions are noted, a statement that the auditor's consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses; if reportable conditions are noted, a statement that the auditor's consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses?	_____	_____	_____
j. If applicable, a description of reportable conditions noted or a reference to the schedule of findings and questioned costs in which the reportable conditions are described? ⁴	_____	_____	_____
k. The definition of a material weakness?	_____	_____	_____
l. If applicable, a statement about whether the auditor believes any of the reportable conditions noted are material weaknesses, and, if they are, describes the material weaknesses noted or refers to the schedule of findings and questioned costs in which they are described? ⁵ (If there are no reportable conditions, a statement should be made that no material weaknesses were noted.)	_____	_____	_____

³ For an audit that is not subject to Circular A-133 (that is, in accordance with GAS only), any reportable instances of noncompliance, reportable conditions, and material weaknesses can either be described in the body of the report or the report can refer to a separate schedule that summarizes the findings noted. For an audit in accordance with Circular A-133, all findings, including those required to be reported under GAS, must be included in the schedule of findings and questioned costs. [SOP 98-3, Ch. 10, fn. 14]

⁴ See footnote 3.

⁵ See footnote 3.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
<i>m.</i> If applicable, a statement that other matters involving the internal control over financial reporting were communicated to management in a separate letter?	_____	_____	_____
<i>n.</i> A separate paragraph at the end of the report stating that the report is intended solely for the information and use of the audit committee, management, specified legislative or regulatory bodies, federal awarding agencies, and (if applicable) pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. ^{6,7}	_____	_____	_____
<i>o.</i> The manual or printed signature of the auditor’s firm?	_____	_____	_____
<i>p.</i> The date of the auditor’s report? [SOP 98-3, par. 10.39]	_____	_____	_____
6. If a material component unit or fund of the reporting entity is not required to have a GAS audit, has the scope paragraph of the report on compliance and on internal control over financial reporting been modified to indicate the portion of the reporting entity that was not audited in accordance with GAS? [SOP 98-3, par. 10.33]	_____	_____	_____
7. Do the reported instances of noncompliance include all instances of fraud and illegal acts (unless clearly inconsequential) and other non-compliance that is material to the financial statements? [GAS, Ch. 5, par. 18; SOP 98-3, par. 10.21]	_____	_____	_____
8. If the report contains material instances of noncompliance or fraud and illegal acts that are not clearly inconsequential, is the effect of such instances on the auditor’s report on the financial statements considered? [AAG-SLG, pars. 5.44–5.46]	_____	_____	_____
9. Do the findings presented in or referred to from the report include all essential elements, including information to place the finding in proper perspective, condition, cause, criteria, effect, and the views of responsible officials? [GAS, Ch. 5, par. 19 and fn. 5; SOP 98-3, pars. 10.58–10.61]	_____	_____	_____
10. Does the report disclose the status of uncorrected material findings and recommendations from prior audits that affect the current financial statement audit? [GAS, Ch. 4, par. 10; SOP 98-3, par. 10.62]	_____	_____	_____
11. Does the report carry the same date as the report on the financial statements? [SOP 98-3, par. 10.50]	_____	_____	_____
Other Matters			
12. Are instances of fraud and illegal acts communicated directly to outside parties if such reporting is required by law or regulation or involves financial assistance received directly or indirectly from a government agency? [GAS, Ch. 5, pars. 21–25; SOP 98-3, pars. 10.23–10.25]	_____	_____	_____

⁶ For an audit that is not subject to Circular A-133 (that is, in accordance with GAS only), the reference to federal awarding agencies and pass-through entities should be deleted. [SOP 98-3, Ch. 10, fn. 19]

⁷ This paragraph conforms to SAS 87, *Restricting the Use of an Auditor’s Report* (AU 532). See SAS 87 for additional guidance on restricted-use reports.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
13. If the audit disclosed immaterial instances of noncompliance or deficiencies in internal control were not considered reportable conditions (referred to as "nonreportable conditions"), are those matters communicated to the entity in writing (or orally, with working paper documentation)? [GAS, Ch. 5, pars. 20 and 28; SOP 98-3, pars. 10.22 and 10.29]	_____	_____	_____
14. Has the auditor communicated the following information—in writing (orally with working paper documentation—to the organization or entity being audited (the auditee), the individuals contracting for or requesting audit services, and the audit committee during the planning stages of an audit:			
a. The auditor's responsibilities in a financial statement audit, including his or her responsibilities for testing and reporting on compliance with laws and regulations and internal control over financial reporting?	_____	_____	_____
b. The nature of any additional testing of compliance and internal control required by laws and regulations or otherwise requested, and whether the auditor is planning or providing an opinion with laws and regulations and internal control over financial reporting?	_____	_____	_____
c. A contrasting of the information in Steps a. and b. above with other financial related audits of compliance and controls? [GAS, Ch. 4, pars. 4.6.3–4.6.7; SOP 98-3, pars. 3.14 and 3.15]	_____	_____	_____

Part II—Reports on Audits Performed Under OMB Circular A-133

1. If the entity is subject to the requirements of Circular A-133, are the following reports (in addition to those in Part I of this checklist) issued:			
a. A report on the supplementary schedule of federal financial assistance?	_____	_____	_____
b. A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Circular A-133?	_____	_____	_____
c. A schedule of findings and questioned costs? [SOP 98-3, par. 10.8]	_____	_____	_____

Report on the Supplementary Schedule of Expenditures of Federal Awards ("Schedule")

2. Is the report on the Schedule (a) included in the auditors' report on the financial statements, (b) included in the report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Circular A-133, or (c) issued as a stand-alone report? [SOP 98-3, pars. 10.36, 10.47, and 10.52]	_____	_____	_____
3. If the report on the financial statements refers to the work of other auditors, has the auditor considered the need to refer to the major federal programs audited by other auditors in the report on the Schedule? [SOP 98-3, par. 3.46]	_____	_____	_____
4. If the report on the Schedule is issued as a stand-alone report, is the guidance of SAS 58 (AU 508) followed in issuing that report? [SOP 98-3, par. 10.52]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
5. If the report on the Schedule is included in the auditors' report on the financial statements or in the report on compliance and on internal control over compliance, does it:			
a. Conform to the standard reports illustrated in Example 1, Example 3 (footnote 34), or Example 3a (footnote 40) of SOP 98-3? [SOP 98-3, pars. 10.36 and 10.37 and App. D]	_____	_____	_____
b. Contain a statement that the Schedule is presented for purposes of additional analysis and is not a required part of the financial statements?	_____	_____	_____
c. Contain an opinion on whether the Schedule is fairly stated in all material respects in relation to the financial statements taken as a whole? [SOP 98-3, par. 10.35]	_____	_____	_____
d. Carry the same date as the report on the financial statements, even if that requires a dual date on the report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Circular A-133? [SOP 98-3, pars. 10.50 and 10.52]	_____	_____	_____

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With Circular A-133

6. Does the report conform to the standard reports illustrated in Examples 3-5 of SOP 98-3? [SOP 98-3, App. D]	_____	_____	_____
7. Does the report contain the following elements:			
a. A statement that the auditor has audited the compliance of the auditee with the types of compliance requirements described in the <i>OMB Circular A-133 Compliance Supplement</i> that are applicable to each of its major programs?	_____	_____	_____
b. A statement that the auditee's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs?	_____	_____	_____
c. A statement that compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the auditee's major federal programs is the responsibility of the auditee's management, and that the auditor's responsibility is to express an opinion on the auditee's compliance based on the audit?	_____	_____	_____
d. A statement that the audit of compliance was conducted in accordance with GAAS (with an identification of the United States of America as the country of origin of those standards), the standards applicable to financial audits contained in <i>Government Auditing Standards</i> issued by the Comptroller General of the United States, and A-133?	_____	_____	_____
e. A statement that those standards and A-133 require that the auditor plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements that could have a direct and material effect on a major federal program occurred?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
f. A statement that an audit includes the examining, on a test basis, evidence about the auditee's compliance with those requirements and performing such other procedures as the auditor considered necessary in the circumstances?	_____	_____	_____
g. A statement that the auditor believes that the audit provides a reasonable basis for the auditor's opinion?	_____	_____	_____
h. A statement that the audit does not provide a legal determination on the auditee's compliance with those requirements?	_____	_____	_____
i. If instances of noncompliance are noted that result in an opinion modification, a reference to a description in the accompanying schedule of findings and questioned costs, including:			
(1) The reference number(s) of the finding(s)?	_____	_____	_____
(2) An identification of the type(s) of compliance requirements and related major program(s)?	_____	_____	_____
(3) A statement that compliance with such requirements is necessary, in the auditor's opinion, for the auditee to comply with requirements applicable to the program(s)?	_____	_____	_____
j. An opinion on whether the auditee complied, in all material respects, with the types of compliance requirements that are applicable to each of its major federal programs?	_____	_____	_____
k. If applicable, a statement that the results of the auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with A-133 and a reference to the schedule of findings and questioned costs in which they are described?	_____	_____	_____
l. A statement that the auditee's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs?	_____	_____	_____
m. A statement that in planning and performing the audit, the auditor considered the auditee's internal control over compliance with requirements that could have a direct and material effect on a major federal program, to determine the auditing procedures for the purpose of expressing an opinion on compliance and to test and report on the internal control over compliance in accordance with A-133?	_____	_____	_____
n. If applicable, a statement that reportable conditions were noted and the definition of a reportable condition?	_____	_____	_____
o. If applicable, a reference to a description of reportable conditions noted in the accompanying schedule of findings and questioned costs, including the reference number of the finding(s)?	_____	_____	_____
p. If no reportable conditions are noted, a statement that the auditor's consideration of the internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses; if reportable conditions are noted, a statement that the auditor's consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses?	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
q. The definition of a material weakness?	_____	_____	_____
r. If applicable, a statement about whether the auditor believes any of the reportable conditions noted are material weaknesses and, if they are, a reference to a description of the material weaknesses in the schedule of findings and questioned costs, including the reference number of the finding(s). If there are no reportable conditions, a statement is made that no material weaknesses were noted?	_____	_____	_____
s. A separate paragraph at the end of the report stating that the report is intended solely for the information and use of the audit committee, management, specified legislative or regulatory bodies, federal awarding agencies, and (if applicable) pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.*	_____	_____	_____
t. The manual or printed signature of the auditor's firm?	_____	_____	_____
u. The date of the auditor's report? [SOP 98-3, par. 10.46]	_____	_____	_____
8. If the audit of the entity's compliance with requirements applicable to major programs detects material instances of noncompliance with those requirements, does the auditors' report express a qualified or adverse opinion? [SOP 98-3, par. 10.42]	_____	_____	_____
9. Have scope limitations on the auditor's testing of an auditee's compliance with laws, regulations, and the provisions of contracts or grant agreements been considered in the opinion on compliance with requirements applicable to each major program? [SOP 98-3, pars. 10.43-10.45]	_____	_____	_____
10. Have the cumulative effects of all instances of noncompliance with federal programs and scope limitations been considered in the opinion on the financial statements? [SOP 98-3, pars. 10.42 and 10.43]	_____	_____	_____
11. Does the report <i>not</i> refer to a management letter with findings that are not required to be reported in the schedule of findings and questioned costs? [SOP 98-3, par. 10.48]	_____	_____	_____
12. Is the report dated the same as or later than the date of the auditors' report on the financial statements? [SOP 98-3, par. 10.51]	_____	_____	_____
13. If the report is dated later than the date of the auditors' reports on the financial statements, have appropriate subsequent events procedures been performed? [SOP 98-3, par. 10.51]	_____	_____	_____
14. If the audit of federal awards did not encompass the entirety of the auditee's operations expending federal awards, are the operations that are not included identified in a separate paragraph following the first paragraph of the report? [SOP 98-3, par. 10.54]	_____	_____	_____

* This paragraph conforms to SAS 87, *Restricting the Use of an Auditor's Report* (AU 532). See SAS 87 for additional guidance on restricted-use reports.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
15. If the report on the financial statements refers to the work of other auditors, has the auditor considered the need to refer to the major federal programs audited by other auditors in this report on compliance and on internal control over compliance? [SOP 98-3, par. 3.46]	_____	_____	_____

Schedule of Findings and Questioned Costs

16. Does the report conform to the standard report illustrated in Appendix E of SOP 98-3? [SOP 98-3, App. E]	_____	_____	_____
17. Is the report presented even if there are no findings to report? [SOP 98-3, par. 10.66]	_____	_____	_____
18. Does the report contain the following three sections:			
a. A summary of the auditor's results?	_____	_____	_____
b. Findings related to the financial statements that are required to be reported in accordance with GAS?	_____	_____	_____
c. Findings and questioned costs for federal awards? [SOP 98-3, par. 10.55]	_____	_____	_____
19. Does the summary of auditor's result include:			
a. The type of report the auditor issued on the financial statements (that is, unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion)?	_____	_____	_____
b. Where applicable, a statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses?	_____	_____	_____
c. A statement on whether the audit disclosed any noncompliance that is material to the financial statements?	_____	_____	_____
d. Where applicable, a statement that reportable conditions in internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses relative to internal control over major programs?	_____	_____	_____
e. The type of report the auditor issued on compliance for major programs (that is, unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion)?	_____	_____	_____
f. A statement as to whether the audit disclosed any audit findings that the auditor is required to report under A-133? (See Step 23 below.)	_____	_____	_____
g. An identification of major programs?	_____	_____	_____
h. The dollar threshold used to distinguish between Type A and Type B programs?	_____	_____	_____
i. A statement as to whether the auditee qualified as a low-risk auditee? [SOP 98-3, par. 10.56a]	_____	_____	_____
20. Are audit findings that relate to the same issue presented as a single audit finding? [SOP 98-3, par. 10.56c]	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
21. If audit findings relate to both the financial statements and the federal awards, are they reported in both sections of the schedule (one in summary form with a reference to the detailed finding in the other section)? [SOP 98-3, par. 10.56c]	_____	_____	_____
22. Are the following reported as audit findings related to federal awards: including:			
a. Reportable conditions and material weaknesses in internal control over major programs?	_____	_____	_____
b. Material noncompliance relating to a major program?	_____	_____	_____
c. Known and likely questioned costs that are greater than \$10,000 for a type of compliance requirement for a major program?	_____	_____	_____
d. Known questioned costs that are greater than \$10,000 for a federal program that is not audited as a major program?	_____	_____	_____
e. The circumstances concerning why the report on compliance for major programs is other than an unqualified opinion?	_____	_____	_____
f. Known fraud affecting a federal award? (An audit finding is not required if the fraud was reported outside the entity as required by GAS.)	_____	_____	_____
g. Instances of material misrepresentation by the auditee of the status of any prior audit findings? [SOP 98-3, par. 10.63]	_____	_____	_____
23. Does the audit finding detail include, as applicable:			
a. A reference number?	_____	_____	_____
b. Identification of the federal program and award, including CFDA title and number, federal award number and year, name of federal agency, and name of pass-through entity? ⁸	_____	_____	_____
c. The criteria or specific requirement upon which the audit finding is based, including the statutory, regulatory, or other citation?	_____	_____	_____
d. The condition found, including facts that support the deficiency identified?	_____	_____	_____
e. Identification of questioned costs and how they were computed?	_____	_____	_____
f. Information to put the finding in proper perspective for judging the prevalence and consequences of audit findings? ⁹	_____	_____	_____
g. The possible asserted effect of the condition?	_____	_____	_____
h. Recommendations to prevent future occurrence of the deficiency?	_____	_____	_____
i. Views of responsible officials of the auditee when there is disagreement with the audit finding, to the extent practical? ¹⁰	_____	_____	_____
j. If the auditor disagrees with the auditees position concerning a finding, a statement of his or her reasons for rejecting it? [SOP 98-3, pars. 10.64 and 10.65]	_____	_____	_____

⁸ When information such as the CFDA title and number or federal award number is not available, the auditor should provide the best information available to describe the federal award.

⁹ Where appropriate the instances identified should be related to the universe and the number of cases examined and be quantified in terms of the dollar value.

¹⁰ If the auditee's corrective action plan is available and contains the views of the responsible officials, the auditor can indicate in the finding that the auditee disagreed with the finding and refer to the details of the auditee's position in the plan.

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
Data Collection Form¹¹			
24. Has the auditor completed the appropriate parts of the data collection form? [SOP 98-3, par. 10.72]	_____	_____	_____
25. Has the auditor signed the form and dated it as of the date on which he or she completes and signs the form? [SOP 98-3, par. 10.72]	_____	_____	_____
26. Does the information on the data collection form agree to the information in the auditor's reports and the summary of auditor's results in the schedule of findings and questioned costs? [Federal Audit Clearinghouse, Data Collection Form, No. SF-SAC]	_____	_____	_____
Program-Specific Audits			
27. In a program-specific audit performed in accordance with A-133, are the following reports issued: ¹²			
a. A report on the financial statement(s) of the federal program?	_____	_____	_____
b. A report on compliance with requirements applicable to the federal program and on the internal control over compliance in accordance with the program-specific audit option under Circular A-133?	_____	_____	_____
c. A schedule of findings and questions costs for the federal program? [SOP 98-3, pars. 11.8 and 11.9]	_____	_____	_____
28. Do the reports on the financial statements and on compliance and on internal control over compliance for a program-specific audit conform to the standard reports illustrated in Examples 6 and 6a in SOP 98-3? [SOP 98-3, par. 11.10 and App. D]	_____	_____	_____

¹¹ The Federal Audit Clearinghouse accepts on-line submissions of all data collection forms at <http://harvester.census.gov/sac>. Further, there is a revised data collection form to report the results of Circular A-133 audits for audit periods ending on or after January 1, 2001. Audits covering fiscal period end dates before January 1, 2001, should continue to use the previous version of the data collection form dated August 1997. The data collection forms and related instructions can be obtained from the Clearinghouse's Web site or by calling (888) 222-9907.

¹² If the financial statement(s) of the program only present the activity of the federal program, the auditor is not required to issue a separate report to meet the financial reporting requirements of GAS. This is because, in many cases, by definition the financial statements of the program consist only of the schedule of expenditures of federal awards. See the further discussion in paragraph 11.10 of SOP 98-3.

FSP Section 13,600*

Illustrative Financial Statements

.01 The following illustrative financial statements, including notes to the financial statements, do not address all possible financial statement presentation and disclosure issues. Many of these financial statements have been adapted from financial statements presented in the *Codification of Governmental Accounting and Financial Reporting (Non-GASB 34 Edition)*, as of June 30, 2001.

.02 According to the *Codification* (primarily GASB Cod. Sec. 2200.138), the following items are necessary for a government's general purpose financial statements (GPFS) to be presented fairly in conformity with generally accepted accounting principles (GAAP). In addition, GASB Cod. Sec. 2200.132 states that required supplementary information should be presented with, but is not part of, the GPFS of a governmental entity.

- Combined Balance Sheet—All Fund Types, Account Groups, and Discretely Presented Component Units
- Combined Statement of Revenues, Expenditures, and Changes in Fund Equity—All Governmental Fund Types, Expendable Trust Funds, and Discretely Presented Component Units
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General and Special Revenue Fund Types (and similar governmental fund types for which annual budgets have been legally adopted)
- Combined Statement of Revenues, Expenses, and Changes in Retained Earnings (or Equity)—All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units
- Combined Statement of Cash Flows—All Proprietary Fund Types, Nonexpendable Trust Funds, and Discretely Presented Component Units
- Notes to the financial statements

.03 In addition, GAAP require certain pension plan financial statements. GAAP also permit component unit financial statements to be presented in the GPFS in lieu of certain note disclosures. Such financial statements are illustrated in the following GPFS.

.04 If a government presents a Comprehensive Annual Financial Report (CAFR), additional individual fund and combining financial statements are required. The illustrative financial statements that follow the note disclosures include some such statements, but they are not a complete presentation of the financial statements required for a CAFR.

* As discussed in FSP Section 13,000.01, these illustrative financial statements do not incorporate the provisions of GASB 34, as amended and interpreted. Users applying those GASB standards or that Guide should refer to the version of these checklists and illustrative financial statements that incorporates those provisions. In addition, the notes to financial statements in this section do not illustrate the early implementation of GASB 38 before the entity implements GASB 34. See Appendix B to FSP Section 13,300.

**Combined Balance Sheet—All Fund Types and Account
Groups and Discretely Presented Component Units
December 31, 20X1**

	Governmental Fund Types						Proprietary Fund Types			Fiduciary Fund Types		Account Groups			Totals (Memorandum Only)		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Primary Government	Component Units	Reporting Entity	Totals (Memorandum Only)				
													Primary Government	Component Units			
Assets																	
Cash and cash equivalents	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XX,XXX	\$XXX,XXX	\$		\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX					
Cash with fiscal agent	—	—	XXX,XXX	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Investments	XX,XXX	XX,XXX	XX,XXX	—	—	—	X,XXX,XXX	—	—	X,XXX,XXX	XXX,XXX	XXX,XXX	—	—	—	—	—
Receivables (net of allowances for uncollectibles):																	
Taxes	XX,XXX	X,XXX	X,XXX	—	—	—	XXX,XXX	—	—	—	—	—	—	—	—	—	—
Accounts	X,XXX	X,XXX	—	XXX	XX,XXX	—	—	—	—	—	—	—	—	—	—	—	—
Special assessments	—	—	XXX,XXX	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Notes	—	—	—	—	X,XXX	—	—	—	—	—	—	—	—	—	—	—	—
Loans	—	—	—	—	—	—	XX,XXX	—	—	—	—	—	—	—	—	—	—
Accrued interest	XX	XX	X,XXX	—	XXX	—	X,XXX	—	—	—	—	—	—	—	—	—	—
Lease receivable from primary government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due from other funds	X,XXX	—	—	—	X,XXX	XX,XXX	XX,XXX	—	—	—	—	—	—	—	—	—	—
Due from component units	XX,XXX	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due from other governments	XX,XXX	XX,XXX	—	XXX,XXX	—	—	—	—	—	—	—	—	—	—	—	—	—
Advance to internal service fund	XX,XXX	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Inventory of supplies, at cost	X,XXX	X,XXX	—	—	XX,XXX	XX,XXX	—	—	—	—	—	—	—	—	—	—	—
Prepaid expenses	—	—	—	—	X,XXX	—	—	—	—	—	—	—	—	—	—	—	—

(continued)

Combined Balance Sheet—All Fund Types and Account Groups
and Discretely Presented Component Units—continued
December 31, 20X1

	Governmental Fund Types						Fiduciary Fund Types			Account Groups			Totals (Memorandum Only)		Reporting Entity																																																																																																																																																																																																																																																																
	Special Revenue		Debt Service		Capital Projects		Proprietary Fund Types		Trust and Agency		General		Primary Government	Component Units																																																																																																																																																																																																																																																																	
	General						Enterprise	Internal Service		Fixed Assets	Long-Term Debt																																																																																																																																																																																																																																																																				
Restricted assets:																	Cash and cash equivalents	—	—	—	—	—	—	XXX,XXX	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Investments	—	—	—	—	—	—	XXX,XXX	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Investment in joint venture	—	—	—	—	—	—	X,XXX,XXX	—	—	—	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Land	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Buildings	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX
Cash and cash equivalents	—	—	—	—	—	—	XXX,XXX	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Investments	—	—	—	—	—	—	XXX,XXX	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Investment in joint venture	—	—	—	—	—	—	X,XXX,XXX	—	—	—	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Land	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Buildings	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																	
Investments	—	—	—	—	—	—	XXX,XXX	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Investment in joint venture	—	—	—	—	—	—	X,XXX,XXX	—	—	—	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Land	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Buildings	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																		
Investment in joint venture	—	—	—	—	—	—	X,XXX,XXX	—	—	—	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Land	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Buildings	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																			
Land	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Buildings	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																				
Buildings	—	—	—	—	—	—	XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																					
Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																						
Improvements other than buildings	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	X,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																							
Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																								
Machinery and equipment	—	—	—	—	—	—	X,XXX,XXX	XX,XXX	—	X,XXX,XXX	—	—	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																																									
Accumulated depreciation	—	—	—	—	—	—	(XX,XXX)	(X,XXX)	—	—	—	—	(XX,XXX)	(X,XXX,XXX)	—	(X,XXX,XXX)	Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																																																										
Construction in progress	—	—	—	—	—	—	XX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX	Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																																																																											
Amount available in debt service funds	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																																																																																												
Amount to be provided for retirement of general long-term debt	—	—	—	—	—	—	—	—	—	—	—	X,XXX,XXX	—	—	—	X,XXX,XXX	Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																																																																																																													
Amount to be provided from special assessments	—	—	—	—	—	—	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																																																																																																																														
Total assets	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX																																																																																																																																																																																																																																																															

(continued)

Combined Balance Sheet—All Fund Types and Account Groups
and Discretely Presented Component Units—continued
December 31, 20X1

	Governmental Fund Types						Proprietary Fund Types			Fiduciary Fund Types		Account Groups			Totals (Memorandum Only)		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General		Primary Government	Component Units	Reporting Entity					
								Fixed Assets	Long-Term Debt								
Liabilities and Fund Equity																	
Liabilities:																	
Vouchers payable	\$XXX,XXX	\$XX,XXX	\$—	\$XX,XXX	\$XXX,XXX	\$XX,XXX	\$X,XXX	\$—	\$—	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX
Contracts payable	XX,XXX	XX,XXX	—	XX,XXX	X,XXX	—	—	—	—	XX,XXX	XX,XXX	—	—	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Judgments payable	—	X,XXX	—	XX,XXX	—	—	—	—	—	—	—	—	—	—	—	—	—
Accrued liabilities	—	—	—	XX,XXX	XX,XXX	—	X,XXX	—	—	XX,XXX	XX,XXX	—	—	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Obligations under reverse repurchase agreements	—	—	—	—	—	—	XXX,XXX	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX
Payable from restricted assets:																	
Construction contracts	—	—	—	—	XX,XXX	—	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Fiscal agent	—	—	—	—	XXX	—	—	—	—	—	—	—	—	XXX	—	—	XXX
Accrued interest	—	—	—	—	XX,XXX	—	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Revenue bonds	—	—	—	—	XX,XXX	—	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Deposits	—	—	—	—	XX,XXX	—	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Due to other taxing units	—	—	—	—	—	—	XXX,XXX	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX
Due to other funds	XX,XXX	X,XXX	—	X,XXX	—	—	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Due to primary government	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Due to student groups	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Deferred revenues	XX,XXX	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Advance from general fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Matured bonds payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Matured interest payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lease payable to component unit	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General obligation bonds payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Special assessment debt with governmental commitment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Revenue bonds payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total liabilities	\$XXX,XXX	\$XX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$XX,XXX	\$XX,XXX	\$—	\$—	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX

(continued)

Combined Balance Sheet—All Fund Types and Account Groups
and Discretely Presented Component Units—continued
December 31, 20X1

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Primary Government	Component Units	Reporting Entity	
Fund Equity													
Investment in general fixed assets	—	—	—	—	—	—	—	X,XXX,XXX	—	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Contributed capital	—	—	—	—	X,XXX,XXX	XX,XXX	—	—	—	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Retained earnings:													
Reserved for revenue bond retirement	—	—	—	—	XXX,XXX	—	—	—	—	XXX,XXX	—	—	XXX,XXX
Unreserved	—	—	—	—	X,XXX,XXX	X,XXX	—	—	—	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Fund balances:													
Reserved for encumbrances	XX,XXX	XX,XXX	—	X,XXX,XXX	—	—	—	—	—	X,XXX,XXX	XXX,XXX	XXX,XXX	X,XXX,XXX
Reserved for inventory of supplies	X,XXX	X,XXX	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Reserved for advance to internal service funds	XX,XXX	—	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Reserved for loans	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX	—	—	XX,XXX
Reserved for endowments	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX	—	—	XXX,XXX
Reserved for employees' pension benefits (A schedule of funding progress is in paragraph .17)	—	—	—	—	—	—	X,XXX,XXX	—	—	X,XXX,XXX	—	—	X,XXX,XXX
Unreserved:													
Designated for debt service	—	—	XXX,XXX	—	—	—	—	—	—	XXX,XXX	—	—	XXX,XXX
Designated for subsequent years' expenditures	XX,XXX	—	—	—	—	—	—	—	—	XX,XXX	—	—	XX,XXX
Undesignated	XXX,XXX	XXX,XXX	—	X,XXX	—	—	(XXX,XXX)	—	—	XX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Total fund equity	XX,XXX	XXX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX	—	XX,XXX,XXX	XX,XXX,XXX	XX,XXX,XXX	XX,XXX,XXX
Total liabilities and fund equity	XXX,XXX	XXX,XXX	XXX,XXX	XX,XXX,XXX	XX,XXX,XXX	XXX,XXX	XX,XXX,XXX	XX,XXX,XXX	XX,XXX,XXX	XX,XXX,XXX	XX,XXX,XXX	XX,XXX,XXX	XX,XXX,XXX

The notes to the financial statements are an integral part of this statement. [Adapted from NCGA 1, App. A, Example 1, as amended by GASB 14; GASB 6, par. 13]

NAME OF GOVERNMENT
Combined Statement of Revenues, Expenditures, and
Changes in Fund Equity—All Governmental Fund Types, Expendable
Trust Funds, and Discretely Presented Component Units
Year Ended December 31, 20X1

	Governmental Fund Types					Totals (Memorandum Only)		Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Fund Types Expendable Trust	Primary Government	Component Units	
Revenues:								
Taxes	\$ XXX,XXX	\$ XXX,XXX	\$ XX,XXX	\$ —	\$ —	\$X,XXX,XXX	\$ XXX,XXX	\$X,XXX,XXX
Special assessments	—	—	XX,XXX	—	—	XX,XXX	—	XX,XXX
Licenses and permits	XXX,XXX	—	—	—	—	XXX,XXX	XX,XXX	XXX,XXX
Intergovernmental revenues	XXX,XXX	XXX,XXX	XX,XXX	X,XXX,XXX	—	X,XXX,XXX	XXX,XXX	X,XXX,XXX
Charges for services	XX,XXX	XX,XXX	—	—	—	XX,XXX	—	XX,XXX
Fines and forfeits	XX,XXX	—	—	—	—	XX,XXX	—	XX,XXX
Miscellaneous revenues	XX,XXX	XX,XXX	XX,XXX	X,XXX	XXX	XX,XXX	—	XX,XXX
Total revenues	X,XXX,XXX	X,XXX,XXX	XXX,XXX	X,XXX,XXX	XXX	X,XXX,XXX	XXX,XXX	X,XXX,XXX
Expenditures:								
Current:								
General government	XXX,XXX	—	—	—	—	XXX,XXX	XXX,XXX	XXX,XXX
Public safety	XXX,XXX	XXX,XXX	—	—	—	XXX,XXX	—	XXX,XXX
Highways and streets	XX,XXX	XXX,XXX	—	—	—	XX,XXX	—	XX,XXX
Sanitation	XX,XXX	—	—	—	—	XX,XXX	—	XX,XXX
Health	XX,XXX	—	—	—	—	XX,XXX	—	XX,XXX
Welfare	XX,XXX	—	—	—	—	XX,XXX	—	XX,XXX
Culture and recreation	XX,XXX	XXX,XXX	—	—	—	XX,XXX	—	XX,XXX
Education	XX,XXX	—	—	—	X,XXX	XX,XXX	XXX,XXX	X,XXX,XXX
Capital outlay	—	—	—	X,XXX,XXX	—	X,XXX,XXX	XXX,XXX	X,XXX,XXX
Debt service:								
Principal retirement	—	—	XXX,XXX	—	—	XXX,XXX	XX,XXX	XXX,XXX
Interest and fiscal charges	—	—	XX,XXX	—	—	XX,XXX	XX,XXX	XX,XXX
Total expenditures	X,XXX,XXX	X,XXX,XXX	XXX,XXX	X,XXX,XXX	X,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Excess of Revenues over (under)	XXX,XXX	XX,XXX	XX,XXX	(XXX,XXX)	(X,XXX)	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)
Expenditures								(continued)

NAME OF GOVERNMENT
Combined Statement of Revenues, Expenditures, and Changes in Fund Equity—
All Governmental Fund Types, Expendable Trust Funds, and
Discretely Presented Component Units—continued

Year Ended December 31, 20X1

	Governmental Fund Types				Fiduciary Fund Types Expendable Trust	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		Primary Government	Component Units
Other financing sources (uses):							
Proceeds of general obligation bonds	—	—	—	X,XXX,XXX	—	X,XXX,XXX	X,XXX,XXX
Proceeds of special assessment debt	—	—	—	XXX,XXX	—	XXX,XXX	XXX,XXX
Operating transfers in	—	—	—	XX,XXX	X,XXX	XX,XXX	XX,XXX
Operating transfers out	(XX,XXX)	—	—	—	—	(XX,XXX)	(XX,XXX)
Operating transfers from primary government	—	—	—	—	—	—	XXX,XXX
Operating transfers to component units	—	—	—	(XX,XXX)	—	(XX,XXX)	(XX,XXX)
Total Other Financing Sources (Uses)	(XX,XXX)	—	—	X,XXX,XXX	X,XXX	X,XXX,XXX	X,XXX,XXX
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	XX,XXX	XX,XXX	XX,XXX	XXX,XXX	XXX	XXX,XXX	(XX,XXX)
Net Income from Golf Course Operations	—	—	—	—	—	—	X,XXX
Fund Equity—January 1	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX
Fund Equity—December 31	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX

The notes to the financial statements are an integral part of this statement. [Adapted from NCGA 1, App. A, Example 2, as amended by GASB 14; GASB 6, par. 13]

NAME OF GOVERNMENT
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General and Special Revenue Fund Types
Year Ended December 31, 20X1

	General Fund			Special Revenue Fund Types			Totals (Memorandum Only)		
	Budget	Actual	Variance— favorable (unfavorable)	Budget	Actual	Variance— favorable (unfavorable)	Budget	Actual	Variance— favorable (unfavorable)
Revenues:									
Taxes	\$ XXX,XXX	\$ XXX,XXX	\$ (X,XXX)	\$ XXX,XXX	\$ XXX,XXX	\$ (XXX)	\$X,XXX,XXX	\$X,XXX,XXX	\$ (X,XXX)
Licenses and permits	XXX,XXX	XXX,XXX	(XX,XXX)	—	—	—	XXX,XXX	XXX,XXX	(XX,XXX)
Intergovernmental revenues	XXX,XXX	XXX,XXX	(XX,XXX)	XXX,XXX	XXX,XXX	(X,XXX)	X,XXX,XXX	X,XXX,XXX	(XX,XXX)
Charges for services	XX,XXX	XX,XXX	X,XXX	XX,XXX	XX,XXX	X,XXX	XXX,XXX	XXX,XXX	X,XXX
Fines and forfeits	XX,XXX	XX,XXX	XXX	—	—	—	XX,XXX	XX,XXX	XXX
Miscellaneous revenues	XX,XXX	XX,XXX	—	XX,XXX	XX,XXX	(X,XXX)	XXX,XXX	XX,XXX	(X,XXX)
Total revenues	X,XXX,XXX	X,XXX,XXX	(XX,XXX)	X,XXX,XXX	X,XXX,XXX	(XX,XXX)	X,XXX,XXX	X,XXX,XXX	(XX,XXX)
Expenditures:									
Current:									
General government	XXX,XXX	XXX,XXX	X,XXX	—	—	—	XXX,XXX	XXX,XXX	X,XXX
Public safety	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX	XX,XXX
Highways and streets	XX,XXX	XX,XXX	(XXX)	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX	XX,XXX
Sanitation	XX,XXX	XX,XXX	(X,XXX)	—	—	—	XX,XXX	XX,XXX	(X,XXX)
Health	XX,XXX	XX,XXX	X,XXX	—	—	—	XX,XXX	XX,XXX	X,XXX
Welfare	XX,XXX	XX,XXX	X,XXX	—	—	—	XX,XXX	XX,XXX	X,XXX
Culture and recreation	XX,XXX	XX,XXX	X,XXX	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX	XX,XXX
Education	XX,XXX	XX,XXX	XX,XXX	—	—	—	XX,XXX	XX,XXX	XX,XXX
Total expenditures	X,XXX,XXX	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX
Excess of									
Revenues over (under)									
Expenditures	XXX,XXX	XXX,XXX	XX,XXX	(XX,XXX)	XX,XXX	XX,XXX	XXX,XXX	XXX,XXX	XX,XXX
Other Financing Sources (Uses):									
Operating transfers out	(XX,XXX)	(XX,XXX)	—	—	—	—	(XX,XXX)	(XX,XXX)	—
Excess of Revenues over (under) Expenditures and Other Financing Sources (Uses)	XX,XXX	XX,XXX	XX,XXX	(XX,XXX)	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Fund Balances—January 1	XXX,XXX	XXX,XXX	—	XXX,XXX	XXX,XXX	—	XXX,XXX	XXX,XXX	—
Fund Balances—December 31	\$ XXX,XXX	\$ XXX,XXX	\$XX,XXX	\$ XXX,XXX	\$ XXX,XXX	\$XX,XXX	\$ XXX,XXX	\$ XXX,XXX	\$XX,XXX

The notes to the financial statements are an integral part of this statement. [Adapted from NCGA 1, App. A, Example 3, as amended by GASB 14]

NAME OF GOVERNMENT
Combined Statement of Revenues, Expenses, and Changes in Fund Equity—
All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units
For the Fiscal Year Ended December 31, 20X1

	Proprietary Fund Types			Fiduciary Fund Types		Totals (Memorandum Only)		Totals (Memorandum Only) Reporting Entity
	Enterprise	Internal Service	Nonexpendable Trust	Primary Government		Component Units		
				Primary Government	Component Units			
Operating revenues:								
Charge for services	\$XXX,XXX	\$XX,XXX	\$ —	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX
Investment income	—	—	X,XXX	XX,XXX	—	—	XX,XXX	XX,XXX
Gifts	—	—	XX,XXX	XX,XXX	—	—	XX,XXX	XX,XXX
Total operating revenues	XXX,XXX	XX,XXX	XX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Operating expenses:								
Personal services	XXX,XXX	XX,XXX	—	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Contractual services	XX,XXX	XXX	—	XX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Supplies	XX,XXX	X,XXX	—	XX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Materials	XX,XXX	XX,XXX	—	XX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Heat, light, and power	XX,XXX	X,XXX	—	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Depreciation	XXX,XXX	X,XXX	—	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Total Operating Expenses	XXX,XXX	XX,XXX	—	XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Operating Income (Loss)	XXX,XXX	X,XXX	XX,XXX	XXX,XXX	(X,XXX,XXX)	(X,XXX,XXX)	(X,XXX,XXX)	(X,XXX,XXX)

(continued)

NAME OF GOVERNMENT
Combined Statement of Revenues, Expenses, and Changes in Fund Equity—
All Proprietary Fund Types, Similar Trust Funds,
and Discretely Presented Component Units—continued
For the Fiscal Year Ended December 31, 20X1

	Proprietary Fund Types		Fiduciary Fund Types		Totals (Memorandum Only)		Component Units	Totals (Memorandum Only) Reporting Entity
	Enterprise	Internal Service	Nonexpendable Trust	Primary Government	Primary Government			
Nonoperating Revenues (Expenses):								
Operating grants	XX,XXX	—	—	XX,XXX	XX,XXX	—	XX,XXX	XX,XXX
Net income from joint venture	XXX,XXX	—	—	XXX,XXX	XXX,XXX	—	XXX,XXX	XXX,XXX
Investment income	X,XXX	—	—	X,XXX	X,XXX	—	X,XXX	XX,XXX
Rent	X,XXX	—	—	X,XXX	X,XXX	—	X,XXX	X,XXX
Interest expense and fiscal charges	(XX,XXX)	—	—	(XX,XXX)	(XX,XXX)	—	(XX,XXX)	(XX,XXX)
Tax revenues	—	—	—	XXX,XXX	XXX,XXX	—	XXX,XXX	—
Total Nonoperating Revenues	XXX,XXX	—	—	XXX,XXX	XXX,XXX	—	XXX,XXX	XXX,XXX
Income (Loss) before Operating Transfers	XXX,XXX	X,XXX	XX,XXX	XXX,XXX	XXX,XXX	(XX,XXX)	(XX,XXX)	XXX,XXX
Operating Transfers In (Out) primary government	—	—	(X,XXX)	—	(X,XXX)	—	—	(X,XXX)
Net income	XXX,XXX	X,XXX	XX,XXX	XXX,XXX	XXX,XXX	—	XXX,XXX	XXX,XXX
Fund Equity—January 1	X,XXX,XXX	XXX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX,XXX
Fund Equity—December 31	\$X,XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$ X,XXX,XXX

The notes to the financial statements are an integral part of this statement. [Adapted from NCGA 1, App. A, Example 4, as amended by GASB 14, GASB 20, and GASB 25, par. 28]

NAME OF GOVERNMENT
Combined Statement of Cash Flows
All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units
For the Fiscal Year Ended December 31, 20X1

	Proprietary Fund Types		Fiduciary Fund Types Nonexpendable Trust	Totals (Memorandum Only)		Totals (Memorandum Only) Reporting Entity
	Enterprise	Internal Service		Primary Government	Component Units	
Cash flows from operating activities:						
Operating income (loss)	\$XXX,XXX	\$X,XXX	\$XX,XXX	\$XXX,XXX	\$ (XXX,XXX)	\$ (XXX,XXX)
Adjustments to reconcile operating income to net cash provided by operating income						
Depreciation expense	XXX,XXX	X,XXX	—	XXX,XXX	XXX,XXX	XXX,XXX
Interest income	—	—	(X,XXX)	(X,XXX)	—	—
Unfunded pension costs	(XXX)	—	—	(XXX)	(XXX)	(XXX)
Provision for uncollectible accounts	XXX	—	—	XXX	X,XXX	XXX
Interest on lease receivable	—	—	—	—	(X,XXX)	—
Rent receipts	X,XXX	—	—	X,XXX	—	X,XXX
Cash receipts on joint venture net income	XX,XXX	—	—	XX,XXX	—	XX,XXX
(Increase) decrease in assets:						
Receivables	(XXX)	—	—	(XXX)	XXX	XX
Due from other funds	XXX	(XXX)	—	XX	—	XX
Inventory	(XXX)	XXX	—	(XX)	—	(XX)
Prepaid expenses	XXX	—	—	XXX	—	XXX
Increase (decrease) in liabilities:						
Vouchers payable	(XX,XXX)	X,XXX	—	(XX,XXX)	(XXX)	(XX,XXX)
Contracts payable (including from restricted assets)	X,XXX	—	—	X,XXX	—	X,XXX
Accrued liabilities	X,XXX	—	—	X,XXX	—	X,XXX
Deposits payable	(X,XXX)	—	—	(X,XXX)	—	(X,XXX)
Net cash provided by operating activities	XXX,XXX	X,XXX	XX,XXX	XXX,XXX	XX,XXX	XXX,XXX

(continued)

NAME OF GOVERNMENT
Combined Statement of Cash Flows
All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units—continued
For the Fiscal Year Ended December 31, 20X1

	Proprietary Fund Types		Fiduciary Fund Types	Totals (Memorandum Only)		Reporting Entity
	Enterprise	Internal Service		Primary Government	Component Units	
Cash flows from noncapital financing activities:						
Operating grants received	XX,XXX	—	—	XX,XXX	XXX,XXX	XXX,XXX
Payment on advance from general fund	—	(X,XXX)	—	(X,XXX)	—	(X,XXX)
Tax receipts	—	—	—	—	XXX,XXX	XXX,XXX
Operating transfers out	—	—	(X,XXX)	(X,XXX)	—	(X,XXX)
Operating transfers from primary government	—	—	—	—	XXX,XXX	XXX,XXX
Payment of amount due to primary government	—	—	—	—	(X,XXX)	(X,XXX)
Net cash provided by (used for) noncapital financing activities	XX,XXX	(X,XXX)	(X,XXX)	XX,XXX	XXX,XXX	XXX,XXX
Cash flows from capital and related financing activities:						
Principal paid on bond debt	(XXX,XXX)	—	—	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)
Interest and fiscal changes paid on bond debt	(XX,XXX)	—	—	(XX,XXX)	(XX,XXX)	(XX,XXX)
Payments to acquire, construct, or improve capital assets	(XXX,XXX)	(XX,XXX)	—	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)
Proceeds from sale of fixed assets	XX,XXX	—	—	XX,XXX	X,XXX	XX,XXX
Capital lease payments received	—	—	—	—	XX,XXX	XX,XXX
Bond proceeds	X,XXX,XXX	—	—	X,XXX,XXX	—	X,XXX,XXX
Net cash provided by (used for) capital and related financing activities	XXX,XXX	(XX,XXX)	—	XXX,XXX	(XXX,XXX)	XX,XXX
Cash flows from investing activities:						
Interest on cash and cash equivalents	XX,XXX	X,XXX	X,XXX	XX,XXX	XXX,XXX	XXX,XXX
Interest and dividends on investments	XX,XXX	—	—	XX,XXX	XXX,XXX	XXX,XXX
Proceeds from sales and maturities of investments	XXX,XXX	—	—	XXX,XXX	XXX,XXX	XXX,XXX
Purchases of investments	(XXX,XXX)	—	—	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)
Net cash provided by investing activities	XX,XXX	X,XXX	X,XXX	XX,XXX	XXX,XXX	XXX,XXX
Net increase (decrease) in cash and cash equivalents	XXX,XXX	(XX,XXX)	XX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Cash and cash equivalents, January 1	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XXX,XXX	XXX,XXX
Cash and cash equivalents, December 31	\$ XXX,XXX	\$ XX,XXX	\$ XX,XXX	\$ XXX,XXX	\$ XXX,XXX	\$ XXX,XXX

The notes to the financial statements are an integral part of this statement.

.11

NAME OF GOVERNMENT
Statement of Changes in Plan Net Assets
Pension Trust Fund
Year Ended December 31, 20X1

Additions	
Contributions	
Employer	\$ XXX,XXX
Plan members	XX,XXX
Total contributions	XXX,XXX
Investment income	
Net appreciation in fair value of investments	XX,XXX
Interest	XX,XXX
Dividends	XX,XXX
Reverse repurchase agreement income	XX,XXX
	XXX,XXX
Less:	
Investment expense	XX,XXX
Reverse repurchase agreement expenses	XX,XXX
Net investment income	XX,XXX
Total additions	XXX,XXX
Deductions	
Benefits	XX,XXX
Refunds of contributions	XX,XXX
Total deductions	XX,XXX
Net increase	XXX,XXX
Net assets held in trust for pension benefits	
(A schedule of funding progress is in paragraph .17)	
January 1	X,XXX,XXX
December 31	\$X,XXX,XXX

The notes to the financial statements are an integral part of this statement.

NAME OF GOVERNMENT
Combining Balance Sheet—Component Units
December 31, 20X1

	School District	Parks and Recreation Commission	Transit Authority	Airport Authority	Convention Center Authority	Totals
Assets:						
Cash and cash equivalents	\$ XXX,XXX	\$ XXX,XXX	\$ XXX,XXX	\$ XX,XXX	\$ XXX,XXX	\$ X,XXX,XXX
Investments	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX
Receivables (net allowance for uncollectibles):						
Taxes	XX,XXX	X,XXX	—	—	—	XX,XXX
Accounts	—	—	X,XXX	XX,XXX	XX,XXX	XX,XXX
Lease receivable from primary government	—	—	—	XXX,XXX	—	XXX,XXX
Land	XXX,XXX	X,XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Buildings	X,XXX,XXX	XXX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Accumulated depreciation	(X,XXX,XXX)	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)	(X,XXX,XXX)	(X,XXX,XXX)
Improvements other than buildings	X,XXX,XXX	—	—	XXX,XXX	XXX,XXX	X,XXX,XXX
Accumulated depreciation	(XXX,XXX)	—	—	(XXX,XXX)	(XXX,XXX)	(X,XXX,XXX)
Machinery and equipment	X,XXX,XXX	XXX,XXX	X,XXX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX
Accumulated depreciation	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)	(XXX,XXX)	(X,XXX,XXX)
Amounts to be provided	XXX,XXX	XX,XXX	—	—	—	XXX,XXX
Total assets	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX
Liabilities:						
Vouchers payable	XXX,XXX	XXX,XXX	XX,XXX	XX,XXX	XX,XXX	XXX,XXX
Contracts payable	—	XX,XXX	—	—	—	XX,XXX
Due to primary government	—	—	XX,XXX	—	—	XX,XXX
General obligation bonds payable	XXX,XXX	XX,XXX	—	—	—	XXX,XXX
Revenue bonds payable	—	—	—	XXX,XXX	X,XXX,XXX	X,XXX,XXX
Total liabilities	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX
Equity:						
Investment in general fixed assets	X,XXX,XXX	X,XXX,XXX	—	—	—	X,XXX,XXX
Contributed capital	—	XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Retained earnings	—	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	X,XXX,XXX
Fund balances:						
Reserved for encumbrances	XXX,XXX	XX,XXX	—	—	—	XXX,XXX
Unreserved	XXX,XXX	XXX,XXX	—	—	—	XXX,XXX
Total equity	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	XX,XXX,XXX
Total liabilities and equity	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX,XXX

[Adapted from GASB 14, par. 156]

.13

NAME OF GOVERNMENT
Combining Statement of Revenues, Expenditures
and Changes in Fund Equity—Component Units
For the Fiscal Year Ended December 31, 20X1

	<i>School District</i>	<i>Parks and Recreation Commission</i>	<i>Totals</i>
Revenues:			
Taxes	\$XXX,XXX	\$XXX,XXX	\$ XXX,XXX
Intergovernmental	XXX,XXX	XX,XXX	XXX,XXX
Licenses and permits	—	XX,XXX	XX,XXX
Total revenues	<u>XXX,XXX</u>	<u>XXX,XXX</u>	<u>XXX,XXX</u>
Expenditures:			
Current:			
General government	—	XXX,XXX	XXX,XXX
Public safety	—	—	—
Highways and streets	—	—	—
Education	XXX,XXX	—	XXX,XXX
Capital outlay	XX,XXX	XX,XXX	XXX,XXX
Debt service—Principal	XX,XXX	XX,XXX	XX,XXX
Interest	<u>XX,XXX</u>	<u>X,XXX</u>	<u>XX,XXX</u>
Total expenditures	<u>XXX,XXX</u>	<u>XXX,XXX</u>	<u>XXX,XXX</u>
Other Financing Sources (Uses):			
Operating transfers from primary government	—	XXX,XXX	XXX,XXX
Total other financing sources (uses)	<u>—</u>	<u>XXX,XXX</u>	<u>XXX,XXX</u>
Excess of revenues and other sources over (under) expenditures and other uses	(XX,XXX)	XX,XXX	(XX,XXX)
Net income from golf course	—	X,XXX	X,XXX
Fund equity—Beginning	XXX,XXX	XXX,XXX	X,XXX,XXX
Fund equity—Ending	<u>\$XXX,XXX</u>	<u>\$XXX,XXX</u>	<u>\$X,XXX,XXX</u>

[Adapted from GASB 14, par. 156]

.14

NAME OF GOVERNMENT
Combining Statement of Revenues, Expenses and Changes
in Fund Equity—Component Units
For the Fiscal Year Ended December 31, 20X1

	<i>Transit Authority</i>	<i>Airport Authority</i>	<i>Convention Center Authority</i>	<i>Totals</i>
Operating Revenues:				
Charges for services	\$ XXX,XXX	\$ XXX,XXX	\$ XXX,XXX	\$X,XXX,XXX
Total operating revenues	<u>XXX,XXX</u>	<u>XXX,XXX</u>	<u>XXX,XXX</u>	<u>XXX,XXX</u>
Operating Expenses:				
Personal services	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Contractual services	XXX,XXX	XX,XXX	XX,XXX	XXX,XXX
Supplies	XX,XXX	XX,XXX	XX,XXX	XXX,XXX
Materials	XX,XXX	XX,XXX	XX,XXX	XXX,XXX
Heat, light, and power	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Depreciation	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX
Total operating expenses	<u>XXX,XXX</u>	<u>XXX,XXX</u>	<u>XXX,XXX</u>	<u>X,XXX,XXX</u>
Operating income (loss)	<u>(XXX,XXX)</u>	<u>(XX,XXX)</u>	<u>(XX,XXX)</u>	<u>(XXX,XXX)</u>
Nonoperating Revenues (Expenses):				
Operating grants	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX
Investment income	XX,XXX	XX,XXX	X,XXX	XX,XXX
Interest expense and fiscal charges	—	(XX,XXX)	(XXX,XXX)	(XXX,XXX)
Tax revenues	—	—	XXX,XXX	XXX,XXX
Total nonoperating revenues (expenses)	<u>XXX,XXX</u>	<u>XXX,XXX</u>	<u>XX,XXX</u>	<u>XXX,XXX</u>
Income (loss) before operating transfers	<u>(XXX,XXX)</u>	<u>X,XXX</u>	<u>X,XXX</u>	<u>(XXX,XXX)</u>
Operating transfers from primary government	<u>XXX,XXX</u>	<u>—</u>	<u>XX,XXX</u>	<u>XXX,XXX</u>
Net income	XX,XXX	X,XXX	XX,XXX	XX,XXX
Fund equity—Beginning	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX	X,XXX,XXX
Fund equity—Ending	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>

[Adapted from GASB 14, par. 156]

NAME OF GOVERNMENT
Combining Statement of Cash Flows—Component Units
For the Fiscal Year Ended December 31, 20X1

	Transit Authority	Airport Authority	Convention Center Authority	Totals
Cash flows from operating activities:				
Operating income (loss)	\$(XXX,XXX)	\$ (XX,XXX)	\$ (XX,XXX)	\$(XXX,XXX)
Adjustments to reconcile operating income to net cash provided by operating income				
Depreciation expense	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX
Provision for uncollectible accounts	—	X,XXX	X,XXX	X,XXX
Interest on lease receivable	—	(X,XXX)	—	(X,XXX)
(Increase) decrease in receivables	XXX	(X,XXX)	X,XXX	XXX
Increase (decrease) in vouchers payable	X,XXX	(XXX)	(XXX)	XXX
Net cash provided by operating activities	X,XXX	XX,XXX	X,XXX	XX,XXX
Cash flows from noncapital financing activities:				
Operating grants received	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX
Tax receipts	—	—	XXX,XXX	XXX,XXX
Operating transfers from primary government	XXX,XXX	—	XX,XXX	XXX,XXX
Payment of amount due to primary government	(X,XXX)	—	—	(X,XXX)
Net cash provided by noncapital financing activities	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX
Cash flows from capital and related financing activities:				
Principal paid on bond debt	—	(XX,XXX)	(XX,XXX)	(XX,XXX)
Interest and fiscal changes paid on bond debt	—	(XX,XXX)	(XX,XXX)	(XX,XXX)
Payments to acquire, construct, or improve capital assets	(XX,XXX)	(XX,XXX)	(XX,XXX)	(XX,XXX)
Proceeds from sale of fixed assets	—	X,XXX	—	X,XXX
Capital lease payments received (including \$X,XXX interest)	—	XX,XXX	—	XX,XXX
Net cash used for capital and related financing activities	(XX,XXX)	(XX,XXX)	(XX,XXX)	(XX,XXX)
Cash flows from investing activities:				
Interest on cash and cash equivalents	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Interest and dividends on investments	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Proceeds from sales and maturities of investments	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Purchases of investments	(XX,XXX)	(XX,XXX)	(XX,XXX)	(XX,XXX)
Net cash provided by investing activities	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Net increase in cash and cash equivalents	XXX,XXX	XX,XXX	XX,XXX	XXX,XXX
Cash and cash equivalents, January 1	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX
Cash and cash equivalents, December 31	\$ XXX,XXX	\$ XX,XXX	\$ XXX,XXX	\$ XXX,XXX

The notes to the financial statements are an integral part of this statement.

NAME OF GOVERNMENT
Illustrative Notes to Financial Statements
December 31, 20X1

1. Summary of Significant Accounting Policies

The Name of Government was organized in 18XX and operates as a second class city. The City has a population of approximately 70,000 residents, covers an area of fifteen square miles, and operates under a council/manager form of government. Major services provided by the City and by its component units, as discussed below, include police and fire protection, street maintenance, garbage collection, welfare programs for low-income individuals and families, parks, elementary and secondary education, water and sewer services, bus transportation, regional airport services, and regional convention facilities.

The general purpose financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies follow.

A. Reporting Entity

This report includes all of the services provided by the City to residents and businesses within its boundaries. In evaluating the City's reporting entity in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, management has included all organizations that make up the City's legal entity and all component units. Consistent with applicable guidance, the criteria used by the City to include component units within its reporting entity are financial accountability and the nature and significance of the relationship. The City includes organizations as component units under the following financial accountability criteria:

1. Organizations for which the City Council appoints a voting majority of the organizations' governing body and for which (a) the City is able to impose its will on the organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.
2. Organizations that are fiscally dependent on the City. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the City.

Following is a brief description of the component units meeting the above criteria that are included in the City's financial reporting entity. These component units are included in the financial reporting entity by discrete presentation, which emphasizes that they are legally separate from the City. Discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the City's legal entity. All these component units have a December 31 year-end. Except for the Name of Government's School District (NGSD), the governing bodies of all of these component units are appointed by the City Council. The NGSD's board is elected by the voters of the City.

1. The NGSD operates the elementary and secondary schools in the City. The NGSD may not issue debt without the City's approval, and its property tax levy request is subject to City Council approval. The district's taxes are levied under the taxing authority of the City and are included as part of the City's total tax levy.
2. The Parks and Recreation Commission operates and maintains the three public golf courses and the public parks in the City. The City provides a material subsidy to the commission, primarily to finance the operations of the public parks.

3. The Transit Authority provides mass transit services to the citizens of the City. The City annually provides significant operating subsidies to the authority.
4. The Airport Authority operates the City’s noncommercial airport facility. The authority’s operating budget is subject to the approval of the City Council. The City Council also is required to approve proposed capital improvements or additions to the Authority’s facilities.
5. The Convention Center Authority operates the City’s Convention Center. The City levies and collects a special 1 percent hotel and amusement tax to subsidize the center’s operations and is secondarily liable for the Convention Center bonds.

Complete financial statements of the individual component units can be obtained from their respective administrative offices in Name of Government or from the City clerk’s office at City Hall at 123 Main Street in Name of Government.

Name of Government School District	1112 Education Street
Name of Government Parks and Recreation Commission	789 Parks Drive
Name of Government Transit Authority	123 Trolley Avenue
Name of Government Airport Authority	10 Airport Road
Name of Government Convention Center Authority	456 Stadium Drive

B. Fund Types and Account Groups

The City uses several funds and account groups to account for its financial position and results of operations. A fund or account group is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific activity. The City maintains the following fund types and account groups.

Governmental fund types are used to account for the City’s general government activities. These fund types include the general fund, special revenue funds, debt service fund, and the capital projects fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes (except for major capital projects). The City maintains five special revenue funds—the parks fund, the state gasoline tax fund, the motor vehicle license fund, the parking meter fund, and the juvenile rehabilitation fund. The debt service fund accounts for the servicing of general long-term debt. The capital projects fund accounts for the acquisition, construction, or improvement of major capital facilities and infrastructure. Separate capital projects are not reported as separate funds, even though the City maintains discrete accounting for the financing of each project.

Proprietary fund types are used to account for activities conducted on a fee-for-service basis in a manner similar to commercial enterprises. These funds provide services to the City (the motor pool internal service fund) and the public (the water and sewer enterprise fund).

Fiduciary funds (trust and agency funds) are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains an expendable trust fund, which accounts for assets where both the principal and interest may be spent, and a nonexpendable trust fund, which accounts for assets where only the interest may be spent. The City also maintains a pension trust fund to account for the assets of the City employees’ pension plan and three agency funds—the special payroll fund, the property tax fund, and the student activity fund.

The *general fixed assets account group* is used to account for the property and equipment acquired for general government purposes. The *general long-term debt account group* accounts for the principal amount of long-term debt and other long-term obligations of the governmental funds.

The School District uses governmental fund accounting; the Transit, Airport, and Convention Center Authorities use proprietary fund accounting; and the Parks and Recreation Commission uses governmental funds to account for most of its transactions and balances except for its golf course operations, which are accounted for in an enterprise fund. The component units are presented in a single column on the combined balance sheet, operating statements, and statement of cash flows. The Parks and Recreation Commission's golf course operations are reduced to a single net amount and reported as a separate line item on the combined and combining statements of revenues, expenditures, and changes in fund equity. In addition, combining statements for the component units are presented in the general purpose financial statements. The component units apply all applicable accounting and financial reporting standards of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, in accounting and reporting for their proprietary funds.

C. Measurement Focus and Basis of Accounting

The City's governmental funds are accounted for using the current financial resources measurement focus. Accordingly, only current assets and liabilities are included on the balance sheets and the fund balances report only spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net assets. These funds use the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they are available and measurable and expenditures are recorded when the fund liability is incurred, if measurable. Revenues that are accrued include federal and state grants, property taxes, transient occupancy taxes, sales taxes, interest, and charges for services. All other revenue items are considered to be measurable and available only when cash is received by the City. Other financing sources for bond proceeds are recognized when the debt is issued.

The City's proprietary funds are accounted for using the economic resources measurement focus. Accordingly, these funds report all assets and liabilities on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund operating statements use the accrual basis of accounting. Revenues are recognized when they are earned and become measurable and expenses are recognized when incurred, if measurable. The City applies all applicable accounting and financial reporting standards of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, in accounting and reporting for its proprietary funds. The water and sewer enterprise fund bills for services on a staggered, bimonthly basis and accounts for that revenue when billed. This billing method does not capture all amounts receivable by the City at the end of each fiscal year. The unbilled amounts and the variance between such amounts at December 31, 20X1 and 20X0 are not material and have not been recorded.

The expendable trust fund is accounted for in essentially the same manner as the governmental funds, using the same measurement focus and basis of accounting. The nonexpendable and pension trust funds are accounted for in essentially the same manner as the proprietary funds. The agency funds are custodial in nature and do not present results of operations or have a measurement focus. The assets of the agency funds are accounted for on the modified accrual basis of accounting, and funds' liabilities equal their assets.

The two account groups are only concerned with the measurement of financial position and do not have a measurement focus. Fixed assets and long-term liabilities are recorded in the account groups as discussed below.

D. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by the fund's measurement focus.

Fixed assets used in governmental fund operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the funds. Fixed assets used in proprietary fund operations are accounted for in those funds. There are no fixed assets associated with the trust funds. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized with other general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

No depreciation has been provided on general fixed assets. Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-50 years
Improvements	10-20 years
Equipment	3-10 years

Long-term debt expected to be financed from governmental funds are accounted for at face value in the general long-term debt account group, not in the governmental funds. Debt proceeds are reported in a governmental fund as an other financing source, net of any premium or discount and issuance costs. Expenditures for the payment of principal and interest on general long-term debt are recognized in the debt service fund when the payments are due. Certain other governmental fund obligations not expected to be financed with current available financial resources also are reported in the account group.

Long-term liabilities associated with the proprietary funds are accounted for in those funds. Bond premiums and discounts and issuance costs are deferred and amortized over the life of the bonds on a straight-line basis, which does not differ materially from the use of the effective interest method.

E. Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

F. Investments

Investments are reported at fair value. Securities owned by the City and the component units are traded on a national exchange and valued at the last reported sales price at current exchange rates.

G. Receivables and Payables

All receivables are shown net of an allowance for uncollectible amounts. The property tax receivable allowance is equal to three percent of outstanding taxes at December 31, 20X1.

Noncurrent portions of long-term interfund loans receivable (reported in “Advance to” asset accounts) are equally offset in the governmental funds by a fund balance reserve account indicating that they do not constitute “available spendable resources.” Current portions of long-term interfund loans receivable (reported in “Due from” asset accounts) are considered “available spendable resources” in the governmental funds and thus not offset by a reserve.

Noncurrent portions of other long-term receivables due to governmental funds are reported on their balance sheets. However, those long-term amounts are offset by “Deferred revenue,”

which is reported in the liability section of the balance sheet, until the amounts become current and are recognized as revenue.

H. Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption. They are valued at cost (first-in, first-out), which is less than the current market value. In the governmental funds, the cost of inventories is recorded as an expenditure when individual items are purchased. Reported inventories in those funds are equally offset by a fund balance reserve to indicate that they do not constitute "available spendable resources" even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future periods. In the governmental funds, the cost of prepaid items is recorded as an expenditure when the payments are made. In the proprietary funds, these items are recorded as prepaid items. Prepaid items in the water and sewer enterprise fund also represent a negative net pension obligation, as discussed in Note 3G.

I. Restricted Assets

Certain assets of the enterprise fund are classified as restricted assets because their use is restricted by bond indentures.

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Such benefits must be used during employment; payments for the benefits are not made when the employees leave service. Accumulated vacation benefits are reported as accrued liabilities to the extent they are expected to be paid during an employee's service. These amounts are reported as expenses and liabilities in the proprietary funds. These amounts are not reported as expenditures in the governmental funds because they are not expected to be paid with available financial resources. Instead, the liability is reported in the general long-term debt account group as accrued liabilities.

K. Fund Equity

Fund balance reserves represent amounts that are not appropriable or that are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds' contributed capital represents equity acquired through capital grants and capital contributions from developers and customers through December 31, 20X0 and capital contributions from other City funds through year end.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general fund, special revenue funds, and capital projects fund. Encumbrances outstanding at year end are reported as reservations of fund balances because they do not constitute expenditures or liabilities.

M. Total (Memorandum Only) Columns

The total columns are captioned "memorandum only" because they do not represent consolidated financial information and are presented only to make financial analysis easier. Data in these columns do not present financial position, results of operations, or cash flows in accordance with GAAP. Interfund eliminations have not been made in the aggregation of this data.

2. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

An operating budget is adopted each year for the general fund and all special revenue funds. Budgetary control for the debt service fund is maintained through the provisions of related bond indentures and budgetary control for the capital projects fund is maintained through multi-year project budgets.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Before September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at locations throughout the City to obtain taxpayer comments.
3. Before November 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year.
6. Budgets are adopted on a basis consistent with GAAP.
7. Excess appropriations at the end of the fiscal year lapse unless they are encumbered by year-end and spent by March 31 of the following year.

Budgeted amounts reported in the financial statements are as originally adopted, or as amended by the City Council on June 27, 20X1. Individual amendments were not material in relation to the original appropriations that were amended.

B. Excess of Expenditures Over Appropriations and Deficit Fund Equity

There was no excess of expenditures over appropriations in individual budgeted funds for the year ended December 31, 20X1. There was no deficit fund equity in any individual fund at December 31, 20X1.

3. Detailed Notes on All Funds and Account Groups

A. Deposits, Investments, and Reverse Repurchase Agreements

State statutes, City ordinances, and the policies of the Boards of the component units permit the City and the component units to invest their moneys as follows:

1. Deposit accounts with insured financial institutions, provided those accounts are entirely insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with government securities that have a fair value exceeding the deposit amount.
2. The State Treasurer's Local Government Investment Pool (LGIP).
3. U.S. Treasury obligations with terms-to-maturity of three years or less.
4. Commercial paper, bankers' acceptances, and repurchase agreements with terms-to-maturity of 180 days or less.

In addition, City ordinance permits the pension trust fund to invest in U.S. government treasury and agency obligations with terms-to-maturity of ten years or less, corporate notes with terms-to-maturity of five years or less, and certain financial options. That trust fund also may enter into reverse repurchase agreements.

The City pools the moneys of its various funds, except those of the pension trust fund and the restricted assets of the enterprise fund, for investment purposes. Investment income is allocated among the various funds in the pool based on the funds' average monthly balances.

The bank balances of the City's and component units' deposits with financial institutions are entirely insured by the FDIC, or collateralized with U.S. government securities whose fair values exceed the amount of the bank balance of the deposit and that are held by an independent third-party agent of the City in the City's name.

The following table presents the City's and component units' investments, either classified into one of the following categories of custodial credit risk or unclassified because they do not represent investment positions that are represented by securities:

- Category 1: Insured or registered or securities held by the City or by the City's agent in the City's name
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name
- Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

	<i>Category</i>			<i>Total</i>
	1	2	3	
U.S. treasuries	\$ XX,XXX	\$ XX,XXX	\$XXX,XXX	\$ XXX,XXX
U.S. agencies	—	XXX,XXX	XX,XXX	XXX,XXX
Bankers' acceptances	—	XX,XXX	—	XX,XXX
Commercial paper	—	XXX,XXX	—	XXX,XXX
Repurchase agreements	XXX,XXX	—	XXX,XXX	XXX,XXX
Corporate notes	—	XXX,XXX	XXX,XXX	XXX,XXX
	<u>\$XXX,XXX</u>	<u>\$XXX,XXX</u>	<u>\$XXX,XXX</u>	<u>\$X,XXX,XXX</u>
LGIP				XXX,XXX
				<u>\$X,XXX,XXX</u>

The City had significantly higher amounts of investment securities in category 3 during the year while investing property tax receipts in repurchase agreements.

A reconciliation of cash and cash equivalents and investments as shown on the balance sheet and the deposits and investments disclosed in this note are as follows:

Balance sheet	
Cash and cash equivalents	\$X,XXX,XXX
Cash with fiscal agent	XXX,XXX
Investments	X,XXX,XXX
Restricted cash and cash equivalents	XXX,XXX
Restricted investments	XXX,XXX
Total	<u>\$X,XXX,XXX</u>
Note disclosure	
Cash on hand	\$ XX,XXX
Carrying amount of deposits	XXX,XXX
Investments	X,XXX,XXX
Total	<u>\$X,XXX,XXX</u>

On December 31, the City entered into a reverse repurchase agreement with a broker-dealer. In this agreement, the City sold the broker a \$XXX,XXX U.S. Treasury security owned by the pension trust fund for \$XXX,XXX. The City will repurchase the Treasury security on January 30, 20X2, for the same amount, plus interest of 6.5 percent. The City used the proceeds of this

reverse repurchase agreement to purchase \$XXX,XXX of commercial paper with an interest rate of 6.8 percent, which matures on January 30, 20X2.

B. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on March 1 and payable in two installments on June 1 and September 1. The City bills and collects its own property taxes as well as those of the Name of Government School District. Collections of the school district taxes and remittance of them to the District are accounted for in the property tax agency fund. The City has an enforceable legal claim to property taxes on the January 1 lien date, and records property tax receivables, net of estimated uncollectible amounts, in the general and debt service funds as of that date. Property taxes are recognized as revenue in the period for which levied, which is the fiscal year during which tax payments are due, provided the taxes are received within sixty days after year-end. The remaining net receivables are reported as deferred revenue.

The City is permitted by the Municipal Finance Law of the state to levy taxes up to \$5.00 per \$100 of assessed valuation for general governmental services other than the payment of principal and interest on long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. The combined tax rate to finance general governmental services other than the payment of long-term debt for the year ended December 31, 20X1, was \$3.74 per \$100 of assessed valuation. Therefore, the City has a tax margin of \$1.26 per \$100 and could raise up to an additional \$XXX,XXX a year from the present assessed valuation of \$XX,XXX,XXX before the limit is reached.

The tax rate to finance the payment of long-term debt for the year ended December 31, 20X1, was \$1.25 per \$100 of assessed valuation.

C. Due From Other Governments

Amounts due from other governments include \$XXX,XXX due from the County in connection with the construction of a new bridge on Ennis Boulevard over the Maxwell River. The total cost of the bridge is estimated at \$X,XXX,XXX, with \$X,XXX,XXX to be financed through a grant from the County (\$XXX,XXX of this amount was paid during 20X1). The \$XXX,XXX still due from the County is expected to be received on or about April 1, 20X2, when the project is fifty percent complete. Completion of the project is expected by November 1, 20X2.

The allowances for uncollectible receivables are as follows:

Taxes	\$X,XXX
Accounts	X,XXX
Special assessments	X,XXX

Delinquent special assessment receivables in the debt service fund are \$X,XXX.

D. Interfund Receivables

The composition of amounts due to and from other funds as of December 31, 20X1, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Parks	\$ X,XXX
Enterprise	General	X,XXX
Internal service	General	X,XXX
	Capital projects	X,XXX
Pension trust fund	General	XX,XXX
Total		<u>\$XX,XXX</u>

The composition of advances between funds and amounts due to the primary government from the component units are apparent in the general purpose financial statements.

E. Fixed Assets

A summary of changes in general fixed assets follows:

	<i>Balance</i> <i>January 1, 20X1</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>December 31, 20X1</i>
Land	\$X,XXX,XXX	\$ XX,XXX	\$ —	\$X,XXX,XXX
Buildings	X,XXX,XXX	XXX,XXX	XXX,XXX	X,XXX,XXX
Improvements other than buildings	XXX,XXX	XXX,XXX	XX,XXX	X,XXX,XXX
Machinery and equipment	XXX,XXX	XX,XXX	XX,XXX	XXX,XXX
Construction in progress	XXX,XXX	X,XXX,XXX	XXX,XXX	X,XXX,XXX
Total	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>

Construction in progress for general fixed assets is composed of the following:

	<i>Project</i> <i>Authorization</i>	<i>Expended to</i> <i>December 31, 20X1</i>	<i>Committed</i>	<i>Required</i> <i>Financing</i>
Ennis Street Bridge	\$X,XXX,XXX	\$XXX,XXX	\$XXX,XXX	None
City Hall improvements	XXX,XXX	XXX,XXX	XX,XXX	None
Improvement District No. 80	XXX,XXX	XXX,XXX	XX,XXX	None
Total	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>	<u>\$X,XXX,XXX</u>	

Proprietary fund type fixed assets and accumulated depreciation are presented by asset class in the balance sheet.

F. Long-term Debt

General Obligation Bonds

The City issues general obligation bonds to finance the acquisition and construction of major capital facilities, both for general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. The Name of Government School District and Parks and Recreation Commission also have issued general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the issuing entity. These bonds are generally issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding at December 31, 20X1, are as follows:

<i>Description</i>	<i>Final</i> <i>Maturity Date</i>	<i>Interest</i> <i>Rates</i>	<i>Accounted for in</i>	<i>Outstanding</i> <i>Amount (in</i> <i>thousands)</i>
19X5 Street, Bridge, and Drainage Improvements bonds	December 1, 20X5	3%	General long-term debt account group	\$ XXX
20X1 Street, Bridge, and Drainage Improvements bonds	July 1, 20Z1	4%	General long-term debt account group	X,XXX
19X5 Waterworks bonds	January 31, 20X5	4%	Water and sewer enterprise fund	XXX
19Y5 School Facilities bonds	December 1, 20Y5	4%	School District component unit	XXX
19Y5 Richard Craddock Memorial Recreation Center bonds	July 1, 20Y5	5%	Parks and Recreation Commission component unit	XX

The annual debt service requirements to maturity for general obligation bonds, including interest of \$XXX,XXX are as follows:

<u>Year Ending December 31</u>	<u>General Long- Term Debt Account Group</u>	<u>Enterprise Fund</u>	<u>Component Units</u>
20X2	\$XXX,XXX	\$XX,XXX	\$XX,XXX
20X3	XXX,XXX	XX,XXX	XX,XXX
20X4	XXX,XXX	XX,XXX	XX,XXX
20X5	XXX,XXX	XX,XXX	XX,XXX
20X6	XXX,XXX	—	XXX,XXX
Thereafter	X,XXX,XXX	—	XXX,XXX

Revenue Bonds

The City and the component units also issue bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. These bonds are generally issued as 20-year serial bonds with equal amounts of principal maturing each year. Revenue bonds outstanding at December 31, 20X1, are as follows:

<u>Description</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Accounted for in</u>	<u>Outstanding Amount (in thousands)</u>
19Y1 Water and Sewer bonds	December 1, 20Y1	3.5%	Water and sewer enterprise fund	\$X,XXX
19Y6 Airport Construction bonds	July 1, 20Y6	4%	Airport Authority component unit	XXX
19Y8 Civic Center bonds	December 1, 20Y8	4%	Convention Center Authority compo- nent unit	X,XXX

The annual debt service requirements to maturity for revenue bonds, including interest of \$XXX,XXX are as follows:

<u>Year Ending December 31</u>	<u>Enterprise Fund</u>	<u>Component Units</u>
20X2	\$XX,XXX	\$XX,XXX
20X3	XX,XXX	XX,XXX
20X4	XX,XXX	XX,XXX
20X5	XX,XXX	XX,XXX
20X6	XX,XXX	XXX,XXX
Thereafter	XXX,XXX	XXX,XXX

Special Assessment Debt

The City issued \$XXX,XXX of special assessment bonds in 20X1 to finance the construction of roads and street lighting in a new residential development. The 10-year serial bonds have a stated interest rate of 5 percent. The special assessment bonds have a general obligation backing and, thus, the City reports the face amount of the bonds in the general long-term account group.

The annual debt service requirements to maturity for the special assessment bonds, including interest of \$XX,XXX are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
20X2	\$XX,XXX
20X3	XX,XXX
20X4	XX,XXX
20X5	XX,XXX
20X6	XX,XXX
Thereafter	XXX,XXX

Capital Leases

The City has leased used fire suppression equipment, including pumper and ladder trucks, from the Name of Government Airport Authority. These lease agreements qualify as capital leases for accounting purposes and, thus, have been recorded at the present value of the future minimum lease payments at the inception of the lease in the general long-term debt account group.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 20X1, are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
20X2	\$ XX,XXX
20X3	XX,XXX
20X4	XX,XXX
Total minimum lease payments	XXX,XXX
Less: amount representing interest	XX,XXX
Present value of minimum lease payments	<u>\$XXX,XXX</u>

Changes in General Long-term Liabilities

The following represent changes during the year ended December 31, 20X1, in general long-term obligations:

	<u>Balance January 1, 20X1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 20X1</u>
Compensated absences, reported in the balance sheet as accrued liabilities	\$ XX,XXX	\$ X,XXX	\$ (X,XXX)	\$ XX,XXX
Lease payable to component unit	XXX,XXX	—	(XX,XXX)	XXX,XXX
General obligation bonds	XXX,XXX	X,XXX,XXX	(XX,XXX)	X,XXX,XXX
Special assessment debt	—	XXX,XXX	—	XXX,XXX
Totals	<u>\$XXX,XXX</u>	<u>\$X,XXX,XXX</u>	<u>\$(XX,XXX)</u>	<u>\$X,XXX,XXX</u>

G. Pension Plans

Name of Government Pension Plan

Plan Description. The City is required by the Home Rule Charter to maintain an actuarially sound pension plan, as a single-employer defined benefit pension plan, to cover all officers and employees of the City. That Charter assigns the authority to establish and amend benefit provisions of the Name of Government Pension Plan (NGPP) to the City Council. The NGPP does not issue a separate financial report.

NGPP provides retirement, disability, and death benefits to plan members and beneficiaries. Retirement benefits vest after 10 years of credited service. NGPP refunds a member’s accumulated contribution upon termination of a nonvested member’s employment. Cost-of-living adjustments are provided to retirees and beneficiaries at the discretion of the City Council. Employees who retire are entitled to an annual retirement benefit, payable monthly for life.

- a. Uniformed Personnel (Police and Fire) who retire at or after age 45 are eligible to receive a service pension equal to 2½ percent of the employee’s average final compensation (as defined in the City Code) multiplied by his or her years of credited service, subject to a maximum of 100 percent of average final compensation.
- b. Municipal employees who retire at or after age 55 are eligible to receive a service pension equal to the sum of 2½ percent of the employee’s average final compensation multiplied by his or her years of credited service to a maximum of 20 years; plus 2

percent of the employee's average final compensation (as defined in the City Code) multiplied by his or her years of credited service in excess of 20; limited to 80 percent of the employee's average final compensation.

At January 1, 20X1, NGPP membership consisted of:

Retirees and beneficiaries currently receiving benefits	XXX
Terminated employees entitled to benefits but not yet receiving them	XXX
Active employees	
Vested	XXX
Nonvested	XXX
Total membership	<u>X,XXX</u>

Summary of Significant Accounting Policies. NGPP financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments are reported at fair value. Securities owned by NGPP are traded on a national exchange and valued at the last reported sales price at current exchange rates.

Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the City Council. Plan members are required to contribute 3³/₄ percent of their annual compensation up to the social security taxable wage base and 6 percent of any remaining covered salary. The City is required to contribute at an actuarially determined rate; the rate during 20X1 was 12 percent of annual covered payroll. All administrative functions are provided for by the City's general fund.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to NGPP for the current year were as follows:

Annual required contribution (ARC)	\$ XXX,XXX
Interest on net pension obligation (NPO)	(XX,XXX)
Adjustment to ARC	<u>XX,XXX</u>
Annual pension cost	XXX,XXX
Contribution made	<u>(XXX,XXX)</u>
Change in NPO	X,XXX
NPO, December 31, 20X0	<u>(XX,XXX)</u>
NPO, December 31, 20X1	<u>\$ (XX,XXX)</u>

As of December 31, 20X1, \$XXX of the negative net pension obligation is recorded in the water and sewer enterprise fund as a prepaid expense. The remaining \$XX,XXX of the negative net pension obligation is associated with pension expenditures of the governmental funds and is not displayed in the balance sheet.

The annual required contribution for the current year was determined as part of the January 1, 20X1, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return and (b) projected salary increases ranging from 5.5 percent to 9.5 percent per year. Both (a) and (b) included an inflation component of 5.5 percent. The assumptions did not include postretirement benefit increases, which are funded by separate City appropriations when granted. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at January 1, 20X1, was 15 years.

Three-Year Trend Information

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/19Y9	\$XXX,XXX	XX%	\$(XX,XXX)
12/31/20X0	XXX,XXX	XX%	(XX,XXX)
12/31/20X1	XXX,XXX	XX%	(XX,XXX)

Schedules of required supplementary information for the NGPP are presented after these note to the financial statements.

Component Unit Pension Plans

Except for the Name of Government School District (NGSD), all employees of the City's component units are covered by defined contribution pension plans. These plans, which are established under the authority of state law, are all administered by the Supreme Investment Company. They are governed by trust documents that can be amended by the individual component unit governing boards. Because the component units have no fiduciary responsibility for these plans, the assets of the plans are not reported in these financial statements.

Employer and plan member contributions are invested in various Supreme mutual funds selected by the plan participants from a selection of funds made available by the employers. Employer contributions vest after ten years of credited service. Employees can select from one of several annuity income options upon retirement and after age sixty.

Contribution requirements and contributions actually made for the year ended December 31, 20X1 are as follows:

	<u>Employer Contribution</u>		<u>Plan Member Contribution</u>	
	<u>Required</u>	<u>Made</u>	<u>Required</u>	<u>Made</u>
Parks and Recreation Commission	X% of salary	\$XX,XXX	X% of salary	\$XX,XXX
Transit Authority	X% of salary	XX,XXX	X% of salary	XX,XXX
Airport Authority	X% of salary	XX,XXX	X% of salary	XX,XXX
Convention Center Authority	X% of salary	XX,XXX	X% of salary	XX,XXX

Substantially all full-time and part-time employees of the NGSD participate in a statewide cost-sharing multiple employer defined benefit pension plan administered by the Public School Employees Retirement System (PSERS). Benefit provisions of the plan are established under the provisions of the PSERS Code (the Code) and may be amended by an act of the State Legislature. The plan provides retirement, disability, and death benefits, as well as legislatively mandated ad hoc cost-of-living adjustments to qualifying plan members and beneficiaries. It also provides for refunds of a nonvested member's accumulated contribution upon termination from employment in the public school sector. PSERS issues a publicly available financial report that includes financial statements for the plan. That report may be obtained by writing to PSERS, P.O. Box 111, State Capitol, State 00000-0111.

The contribution policy for PSERS is set by the Code and requires contributions by active employees and by participating employers. Plan members are required to contribute 6.25 percent of their covered payroll. The contributions required of participating employers is based on an actuarial valuation and is expressed as a percentage of annual covered payroll during the period for which the amount is determined. The NGSD's contributions to PSERS for the years ending June 30, 20X1, 20X0, and 19Y9 were \$XXX,XXX, \$XXX,XXX, and \$XXX,XXX, respectively. Those amounts are equal to the required contribution for each year.

The NGSD recognizes annual pension expenditures or expenses equal to its contractually required contributions, subject to the modified accrual basis of accounting in its governmental funds.

H. Postemployment Benefits Other Than Pensions

The City provides certain healthcare and life insurance benefits to retired employees. All full-time employees are eligible for benefits if actively employed by the City immediately before retirement. As of December 31, 20X1, there were XX retirees receiving these benefits. The benefits are provided in accordance with City Code and labor agreements and require no contributions from the retirees. The City finances the benefits on a pay-as-you-go basis and recognizes expenditures at the time the premiums are due. The premiums for these benefits totaled \$XX,XXX in 20X1.

I. Joint Venture

The City participates with two other local cities in the Mid-State Power Authority, a joint venture that sells hydroelectric power to power companies. The Authority is governed by a six-member board, two members of which are appointed by each of the participating cities. The City has an equity interest in the net assets of the Authority proportional to its net contributions to the Authority for capital facilities and operations since it was organized. The City also has an obligation to finance one-third of the net losses of the Authority; it also has the right to receive one-third of the Authority's income. The City's net investment and its share of the operating results of the Authority are reported in the water and sewer enterprise fund. The Authority's annual financial statements for the year ended December 31, 20X1, are available from the Authority's administrative office at 456 Water Street in Name of Government.

J. Intergovernmental Revenue—Debt Service Funds

Under the provisions of state law, the state reimburses the City for a portion of the financing costs of various approved projects. Payments totaling \$XXX,XXX have been received through December 31, 20X1, including \$XX,XXX in 20X1 for projects financed by the proceeds of the 19X5 Street, Bridge and Drainage Improvement bonds. These amounts must be used to abate a portion of the tax levied for principal and interest payments due on the approved project bonds. These reimbursements represent approximately 45 percent of the debt service on the 19X5 Street, Bridge and Drainage Improvement bonds and are expected to average approximately \$XX,XXX annually until the bonds mature.

K. Commitments

Commitments under operating lease agreements for facilities and equipment provide for minimum annual rental payments as follows:

	<u>Facilities</u>	<u>Equipment</u>	<u>Total</u>
20X2	\$ XX,XXX	\$XX,XXX	\$ XX,XXX
20X3	XX,XXX	XX,XXX	XX,XXX
20X4	XX,XXX	XX,XXX	XX,XXX
20X5	XX,XXX	XX,XXX	XX,XXX
20X6	XX,XXX	XX,XXX	XX,XXX
Thereafter	XXX,XXX	—	XXX,XXX

The 20X1 operating lease costs were \$XX,XXX. Commitments under construction contracts are described in Note IIIC.

L. Risk Financing

The City and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

M. Contingent Liabilities

The City participates in a number of federally assisted grant programs that are subject to audit and adjustment by the grantors. The audits of these programs for or including the year ended December 31, 20X1, have not yet been conducted. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City Council and the City are defendants in litigation seeking damages of \$XXX,XXX for violation of civil rights in a zoning decision. The suit alleges that the defendants conspired to down-zone property and refused to accept an application for a building permit by the plaintiff resulting in a violation of his civil rights. Outside counsel for the City is of the opinion that the defendants will prevail.

There are several other pending lawsuits in which the City is involved. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the financial statements of the City.

N. Subsequent Event

On February 13, 20X2, the City Council was notified that its application for a construction grant from the Environmental Protection Agency (EPA) was approved. Under the grant, the City is to construct a wastewater treatment plant at a total cost of approximately \$X,XXX,XXX. EPA will finance 75 percent of the total cost, approximately \$X,XXX,XXX, with the City financing the balance of \$XXX,XXX by issuing water and sewer revenue bonds. Construction is expected to commence in late 20X2 with completion currently scheduled for mid-20X8.

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NAME OF GOVERNMENT
Required Supplementary Information
Schedules of Funding Progress and Employer Contributions
December 31, 20X1

Funding Progress

<i>Actuarial Valuation Date</i>	<i>Actuarial Value of Assets (a)</i>	<i>Actuarial Accrued Liability (AAL)— Entry Age (b)</i>	<i>Unfunded AAL (UAAL) (b - a)</i>	<i>Funded Ratio (a / b)</i>	<i>Covered Payroll (c)</i>	<i>UAAL as a Percentage of Covered Payroll ((b - a) / c)</i>
(1) 1/1/19Y6	\$X,XXX,XXX	\$X,XXX,XXX	\$XX,XXX	XXX.XX%	\$X,XXX,XXX	XX.XX%
1/1/19Y7	X,XXX,XXX	X,XXX,XXX	XX,XXX	XXX.XX%	X,XXX,XXX	XX.XX%
(2) 1/1/19Y8	X,XXX,XXX	X,XXX,XXX	XX,XXX	XXX.XX%	X,XXX,XXX	XX.XX%
1/1/19Y9	X,XXX,XXX	X,XXX,XXX	XX,XXX	XXX.XX%	X,XXX,XXX	XX.XX%
1/1/20X0	X,XXX,XXX	X,XXX,XXX	XX,XXX	XXX.XX%	X,XXX,XXX	XX.XX%
1/1/20X1	X,XXX,XXX	X,XXX,XXX	XX,XXX	XXX.XX%	X,XXX,XXX	XX.XX%

- (1) Change in benefit provisions.
- (2) Change in economic and actuarial assumptions.

Employer Contributions

<i>Year Ending</i>	<i>Annual Required Contributions</i>	<i>Percentage Contributed</i>
12/31/19Y6	\$X,XXX,XXX	XXX.XX%
12/31/19Y7	X,XXX,XXX	XX.XX%
12/31/19Y8	X,XXX,XXX	XXX.XX%
12/31/19Y9	X,XXX,XXX	XX.XX%
12/31/20X0	X,XXX,XXX	XX.XX%
12/31/20X1	X,XXX,XXX	XX.XX%

The accompanying notes to supplementary schedules are an integral part of these schedules.

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NAME OF GOVERNMENT

Notes to Required Supplementary Information

December 31, 20X1

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	1/1/20X1
Actuarial cost method	Entry age
Amortization method	Level percent open
Amortization period	15 years
Asset valuation method	4-year smoothed market
Actuarial assumptions	
Investment rate of return*	7.50%
Projected salary increases*	5.5% to 9.5%
*Includes inflation at	5.50%
Cost of living adjustments	None

NAME OF GOVERNMENT
Combining Balance Sheet—All Special Revenue Funds
December 31, 20X1

	Totals Year Ended						
	Parks	State Gasoline Tax	Motor Vehicle License	Parking Meter	Juvenile Rehabilitation	December 31, 20X1	December 31, 20X0
Assets							
Cash	\$XX,XXX	\$XX,XXX	\$ X,XXX	\$XX,XXX	\$XX,XXX	\$XX,XXX	\$ XX,XXX
Investments	XX,XXX	—	—	XX,XXX	X,XXX	XX,XXX	XX,XXX
Receivables:							
Taxes receivable—delinquent (net of allowances for uncollectibles of \$XXX)	X,XXX	—	—	—	—	X,XXX	—
Accounts receivable (net of allowance for uncollectibles of \$XXX)	X,XXX	—	—	—	—	X,XXX	X,XXX
Accrued interest	XX	—	—	—	—	XX	—
Due from state government	—	XX,XXX	XX,XXX	—	—	XX,XXX	XX,XXX
Inventory of supplies, at cost	X,XXX	XXX	XXX	X,XXX	X,XXX	X,XXX	X,XXX
Total Assets	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>
Liabilities and Fund Balances							
Liabilities:							
Vouchers payable	\$XX,XXX	\$XX,XXX	\$ X,XXX	\$ X,XXX	\$ X,XXX	\$ XX,XXX	\$ XX,XXX
Contracts payable	XX,XXX	X,XXX	—	X,XXX	—	XX,XXX	XX,XXX
Judgments payable	X,XXX	—	—	—	—	X,XXX	—
Due to General Fund	X,XXX	—	—	—	—	X,XXX	—
Total Liabilities	<u>XX,XXX</u>	<u>XX,XXX</u>	<u>X,XXX</u>	<u>X,XXX</u>	<u>X,XXX</u>	<u>XX,XXX</u>	<u>XX,XXX</u>
Fund Balances:							
Reserved for encumbrances	XX,XXX	XX,XXX	XX,XXX	XXX	X,XXX	XX,XXX	XX,XXX
Reserved for inventory of supplies	X,XXX	XXX	XXX	X,XXX	X,XXX	X,XXX	X,XXX
Unreserved	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX
Total Fund Balances	<u>XX,XXX</u>	<u>XX,XXX</u>	<u>XX,XXX</u>	<u>XX,XXX</u>	<u>XX,XXX</u>	<u>XX,XXX</u>	<u>XX,XXX</u>
Total Liabilities and Fund Balances	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>	<u>\$XX,XXX</u>

[Adapted from NCGA 1, App. B, Example 6] (continued)

NAME OF GOVERNMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances—All Special Revenue Funds
December 31, 20X1

	Totals Year Ended						
	Parks	State Gasoline Tax	Motor Vehicle License	Parking Meter	Juvenile Rehabilitation	December 31, 20X1	December 31, 20X0
Revenues:							
Taxes	\$XXX,XXX	\$ —	\$ —	\$ —	\$ —	\$ XXX,XXX	\$ XXX,XXX
Intergovernmental revenues	—	XXX,XXX	XXX,XXX	—	XXX,XXX	XXX,XXX	XXX,XXX
Charges for services	—	—	—	XX,XXX	—	XX,XXX	XX,XXX
Miscellaneous revenues	XX,XXX	—	—	XXX	XXX	XX,XXX	XX,XXX
Total Revenues	XXX,XXX	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX
Expenditures:							
Public Safety	—	—	XXX,XXX	XX,XXX	XXX,XXX	XXX,XXX	XXX,XXX
Highways and streets	—	XXX,XXX	—	—	—	XXX,XXX	XXX,XXX
Culture and recreation	XXX,XXX	—	—	—	—	XXX,XXX	XXX,XXX
Total Expenditures	XXX,XXX	XXX,XXX	XXX,XXX	XX,XXX	XXX,XXX	X,XXX,XXX	X,XXX,XXX
Excess of Revenues over (under) Expenditures	X,XXX	X,XXX	X,XXX	(X,XXX)	X,XXX	XX,XXX	XX,XXX
Fund Equity—January 1	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XX,XXX	XXX,XXX	XXX,XXX
Fund Equity—December 31	\$ XX,XXX	\$ XX,XXX	\$ XX,XXX	\$XX,XXX	\$ XX,XXX	\$ XXX,XXX	\$ XXX,XXX

[Adapted from NCGA 1, App. B, Example 7, as amended by GASB 14]

NAME OF GOVERNMENT
Statement of Revenues, Expenditures, and Changes in Fund Balance—
Budget and Actual—Parks Fund
For the Fiscal Years Ended December 31, 20X1 and 20X0

	20X1		20X0		Variance— Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Taxes:					
Current	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$XXX,XXX	\$(X,XXX) (XXX)
Penalties and interest on delinquent taxes	XXX	XXX	XXX	XXX	(XXX)
Total Taxes	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	(X,XXX)
Miscellaneous Revenues:					
Rents and royalties	XX,XXX	XX,XXX	XX,XXX	XX,XXX	X,XXX
Interest revenue	XXX	XXX	XXX	XXX	—
Total Miscellaneous Revenues	XX,XXX	XX,XXX	XX,XXX	XX,XXX	X,XXX
Total Revenues	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	XXX
Expenditures:					
Culture and Recreation:					
Supervision of parks	XX,XXX	XX,XXX	XX,XXX	XX,XXX	(XXX)
Parkways and boulevards	XX,XXX	XX,XXX	XX,XXX	XX,XXX	(X,XXX)
Park areas	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	(X,XXX)
Park lighting	XX,XXX	XX,XXX	XX,XXX	XX,XXX	X,XXX
Park policing	XX,XXX	XX,XXX	XX,XXX	XX,XXX	(X,XXX)
Forestry and nursery	XX,XXX	XX,XXX	XX,XXX	XX,XXX	X,XXX
Total Expenditures	XXX,XXX	XXX,XXX	XXX,XXX	XXX,XXX	(X,XXX)
Excess or Revenues over (under) Expenditures	(X,XXX)	X,XXX	—	(X,XXX)	(X,XXX)
Fund Balance—January 1	XX,XXX	XX,XXX	XX,XXX	XX,XXX	—
Fund Balance—December 31	\$ XX,XXX	\$ XX,XXX	\$ XX,XXX	\$ XX,XXX	\$(X,XXX)

[Adapted from NCGA 1, App. A, Example 8]

NAME OF GOVERNMENT
Statement of Changes in Assets and Liabilities—All Agency Funds
For the Fiscal Year Ended December 31, 20X1

	Balance January 1	Additions	Deductions	Balance December 31
SPECIAL PAYROLL FUND				
Assets				
Cash	\$ X,XXX	\$ XX,XXX	\$ XX,XXX	\$ X,XXX
Liabilities				
Vouchers payable	\$ X,XXX	\$ XX,XXX	\$ XX,XXX	\$ X,XXX
PROPERTY TAX FUND				
Assets				
Cash	\$ XX,XXX	\$ XXX,XXX	\$ XXX,XXX	\$XXX,XXX
Taxes receivable (net of allowances for uncollectibles)	XXX,XXX	X,XXX,XXX	XXX,XXX	XXX,XXX
Total Assets	\$XXX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX
Liabilities				
Due to Other Taxing Units:				
County	\$XXX,XXX	\$X,XXX,XXX	\$ XXX,XXX	\$XXX,XXX
Special district	XX,XXX	XXX,XXX	XX,XXX	XX,XXX
Total Liabilities	\$XXX,XXX	\$X,XXX,XXX	\$ XXX,XXX	\$XXX,XXX
STUDENT ACTIVITY FUND				
Assets				
Cash	\$ X,XXX	\$ X,XXX	\$ X,XXX	\$ X,XXX
Liabilities				
Due to student groups	\$ X,XXX	\$ X,XXX	\$ X,XXX	\$ X,XXX
TOTALS—ALL AGENCY FUNDS				
Assets				
Cash	\$ XX,XXX	\$ XXX,XXX	\$ XXX,XXX	\$XXX,XXX
Taxes receivable (net of allowances for uncollectibles)	XXX,XXX	X,XXX,XXX	XXX,XXX	XXX,XXX
Total Assets	\$XX,XXX	\$X,XXX,XXX	\$X,XXX,XXX	\$XXX,XXX
Liabilities				
Vouchers payable	\$ X,XXX	\$ XX,XXX	\$ XX,XXX	\$ X,XXX
Due to other taxing units	XXX,XXX	X,XXX,XXX	XXX,XXX	XXX,XXX
Due to student groups	X,XXX	X,XXX	X,XXX	X,XXX
Total Liabilities	\$XXX,XXX	\$X,XXX,XXX	\$ XXX,XXX	\$XXX,XXX

[Adapted from NCGA 1, App. B, Example 9]

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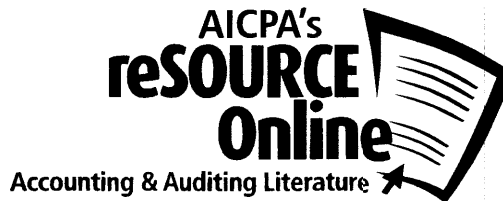
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