LOCAL GOVERNMENT AUDIT REPORT REVIEW CHECKLIST

GOVERNMENT: _____ FYE: _____

REVIEWER: _____ REVIEW DATE: _____

Date original report received: _____ Agrees with log ___ Date revisions received: _____ Agrees with log ___

_____ Items are cited which are marked with a 1 and must be corrected for the report to comply with state law.

_____ Items are cited which are marked with a 2 but were cited in prior year review and must be corrected this year.

_____ Items are cited which are marked with a 2 and must be corrected next year.

_____ Items are cited which are marked with a 3 and are recommended to improve the quality of the audit report.

_____ The audit report was in substantial compliance with reporting standards and statutory requirements.

Total Expenses of Primary Government _____

Total Expenses of Component Units _____

Total Expenses of Reporting Entity _____

Corrective Action Plan Required? (Circle one.) **NO** **YES** if yes, date rec'd:_____

The following symbols have been used to cite reference material:

Authoritative

OCGA	Official Code of Georgia Annotated.
GASB	Codification of Governmental Accounting and Financial Reporting Standards Governmental Accounting Standards Board (as of June 30, 2012)
GASBS 34	Statement No. 34 of the Governmental Accounting Standards Board
FAS	Accounting Standards, Financial Accounting Standards Board
GAS	Government Auditing Standards (2011 Revision, unless otherwise noted)
AAG-SLV	Audit and Accounting Guide: State and Local Governments, American Institute of Certified Public Accountants (issued March 1, 2013)
APB	Accounting Principles Board
AU-C	Codification of Auditing Standards (Clarified), American Institute of Certified Public Accountants (copyright 2013).
AAG-SLA	Audit and Accounting Guide: Government Auditing Standards and Circular A-133 Audits (With conforming changes as of February 1, 2013), American Institute of Certified Public Accountants

Nonauthoritative

GAAFR	Governmental Accounting, Auditing, and Financial Reporting, Government Finance Officers Association (2012 Edition).
	Comprehensive Implementation Guide – Guides Issued Through June 30, 2012 Governmental Accounting Standards Board (September 2012)

Any questions concerning local government audit report reviews should be addressed to Georgia Department of Audits and Accounts, Nonprofit and Local Government Audits Division, 270 Washington Street, S.W., Room 1-156, Atlanta, Georgia 30334-8400 or telephone (404) 656-9145 or e-mail locgov@audits.ga.gov.

For information of concern to local governments, visit the Department of Audits and Accounts web site at www.audits.ga.gov

Revision Date 11/13

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Cover				
A1.	The report cover should indicate the name of the government and the state in which it is located. (GAAFR, page 591)	3		
A2.	The report cover should indicate the period covered (e.g. "for the fiscal year ended *month, date, year)*. (GAAFR, page 591)	3		
A3.	If the government preparing the CAFR is a component unit of another government, the cover should identify the primary government. (GAAFR, page 591)	3		
A4.	If the report is identified as a "Comprehensive Annual Financial Report," it should contain the required introductory and statistical sections. (GASB 2200.105) *(Note to reviewer: If the report is identified as a CAFR, it should contain all items listed in GASB 2200.105. If the report does not contain the introductory and statistical sections, the report should not be identified as a CAFR.)*	1		
Table of Contents				
A5.	The report should contain a table of contents. (GASB 2200.105; GAAFR, page 591)	2-3		
A6.	The table of contents should list the auditor's report (opinion of an independent public accounting firm) as the first item in the financial section of the report. (GASB 2200.105; GAAFR, pages 594)	2-3		
A7.	The table of contents should subdivide the financial section between 1) management's discussion and analysis (MD&A), 2) the basic financial statements, including the accompanying notes, 3) RSI other than MD&A, and 4) other contents of the financial section (combining and individual fund presentations and supplementary information). (GASB 2200.105; GAAFR, page 591 and 594)	2-3		
A8.	The table of contents should identify each statement and schedule by its full title. (GAAFR, page 591)	3		
A9.	The table of contents should indicate the page number reference for each statement and schedule. If statements and schedules are identified by exhibit numbers, these also may be presented in the table of contents to supplement (but not replace) page number references. (GAAFR, page 591)	3		
Auditor's Report				
B1.	The report should include an opinion certifying or attesting to the reliability of the financial statements by a person, partnership, association or corporation holding a live permit for the practice of public accountancy. (OCGA 43-3-35) *(Note to Reviewer: If this requirement is in question, status can be verified on the Internet Web site of the Georgia Secretary of State.)*	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
B2.	The introductory paragraph of the auditor's report should refer to the audit of the financial statements of each opinion unit, even though some of those opinion units do not have distinct or separate financial statements. (AAG-SLV 14.14) *(Note to reviewer: AAG-SLV 14.103, Example A-1 illustrates the following for the introductory paragraph of the auditors report to meet this requirement: "We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Example, Any State, as of and for the year ended June 30, 20X1,* and the related notes to the financial statements, *which collectively comprise the city's basic financial statements as listed in the table of contents.")*	2		
B3.	The audit report should state that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. (OCGA 36-81-7; GAS 4.18; AAG-SLA 4.49)	1		
B4.	When the report on the financial statements is submitted to comply with a requirement for an audit in accordance with *Government Auditing Standards*, the report should state that the audit was made in accordance with generally accepted government auditing standards. The AICPA's *Government Auditing Standards and Circular A-133 Audits* recommends the following language be included in the auditor's report to meet this requirement: "we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States." (AAG-SLA 4.49)	2		
B5a.	The auditor's report on the basic financial statements should include (AAG-SLA 4.48; AU-C 700.23 - .41):	2		
B5b.	a title that includes the word *independent.*	2		
B5c.	an addressee as required by the circumstances of the engagement.	2		
B5d.	when applicable, a section with the heading "Report on the Financial Statements" (this heading should be used when the report contains a separate section on other reporting responsibilities).	2		
B5e.	an introductory paragraph that should: (1) identify the entity whose financial statements have been audited; (2) state that the financial statements have been audited; (3) identify the title of each statement that the financial statements comprise; and (4) specify the date or period covered by each financial statement that the financial statements comprise.	2		
B5f.	a section with the heading "Management's Responsibility for the Financial Statements."	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
B5g.	a statement that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.	2		
B5h.	a section with the heading "Auditor's Responsibility."	2		
B5i.	a statement that the responsibility of the auditor is to express an opinion on the financial statements based on the audit. *(Note: AAG-SLV 14.19 states that the auditor's responsibility is to express opinions on the financial statements based on the auditor's audit. Note there are cases in which there is only one opinion unit, in which case the reference would then be to opinion rather than opinions.)*	2		
B5j.	a statement that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. *(Note: AAG-SLV 14.19 states that even though the auditor's report generally will provide more than one opinion, the auditor is conducting only one audit. Therefore, this section refers to only one audit.)*	2		
B5k.	a statement that those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.	2		
B5l.	a statement that: (1) an audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. (2) the procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, the auditor expresses no such opinion. (3) an audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.	2		
B5m.	a statement regarding whether the auditor believes that the audit evidence obtained is sufficient and appropriate to provide a basis for the auditor's opinion.	2		

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B5n.	a section with the heading "Opinion." *(Note: AAG-SLV 14.22 states that this section should include the heading "Opinion" or "Opinions" if there are multiple opinion units.)*	2		
B5o.	an opinion statement regarding whether the financial statements are fairly presented, in all material respects, in conformity with the applicable reporting framework.	2		
B5p.	the titles of the financial statements identified in the introductory paragraph of the auditor's report.	2		
B5q.	identification of the applicable reporting framework and its origin (for example, accounting principles generally accepted in the United States of America).	2		
B5r.	a section with the heading "Other Matters." *(Note: In some circumstances, the auditor may have additional responsibilities to report on other matters that are supplementary to the auditor's responsibility under GAAS to report on the financial statements. An example is the reporting on supplementary information (SI) when the auditor is engaged to provide an "in-relation-to" opinion on SI and also when explanatory language will be provided relating to other information (OI) when the auditor is disclaiming an opinion on the OI. The form and content of the "Other Matters" section of the auditor's report will vary depending on the nature of the auditor's other reporting responsibilities. Note that AU-C section 700, Forming an Opinion and Reporting on Financial Statements (AICPA, Professional Standards), states that the subtitle of this section of the report should be titled as appropriate to the content of the section.)*	2		
B5s.	a section with a subheading "Supplementary Information." *(Note: The caption provided in this illustration is one way an auditor could title the section. Alternatively, the auditor could title it "Supplementary and Other Information," "Supplementary Information," or "Accompanying Information.")*	2		
B5t.	a description of the other reporting responsibilities, one example of which is reporting on supplementary information.	2		
B5u.	a section with the heading "Other Reporting Required by *Government Auditing Standards*."	2		
B5v.	a statement that the auditor has issued a report dated [*date of report*] on the consideration of the entity's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters.	2		
B5w.	a statement that the purpose of that report is to describe the scope of the testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.	2		
B5x.	a statement that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
B5y.	the signature of the auditor (manual or printed) and the date of the auditor's report.	1		
B5z.	the auditor's address (city and state).	2		
B6.	The auditor's standard report on a government's basic financial statements should state that the financial statements present fairly, in all material respects, the financial position, changes in financial position, and, where applicable, cash flows of each opinion unit in those financial statements in conformity with GAAP. (AAG-SLV 14.12) (*Note to reviewer: AAG-SLV 14.103, Example A-1 illustrates the following for the opinion paragraph of the auditors report to meet this requirement: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Example, Any State, as of June 30, 20X1, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."*)	2		
B7.	Year-to-year changes in major funds should not be considered a change in accounting principles affecting consistency, and thus no modification to the auditor's report is needed. (AAG-SLV 14.52)	2		
B8.	The omission of required supplementary information (RSI) or the presentation of RSI in a manner that does not meet the prescribed guidelines established by generally accepted accounting principles does not affect the auditor's conclusion regarding the fair presentation of the basic financial statements. (AAG-SLV 14.66) *(Note: AAG-SLV 14.71 states that if the government chooses to present required budgetary comparison information as a basic financial statement and presents only part of the required information, the omission constitutes a departure from GAAP in the basic financial statements that the auditor should consider in evaluating his or her opinions on the opinion units for which budgetary presentations are required but not made.)*	2		
B9.	If the required budgetary comparison information is presented as a basic financial statement, the opinion paragraph should refer to the budgetary comparisons for those funds. (AAG-SLV 14.21)	2		

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B10.	The auditor's report on the financial statements should either (1) describe the scope of the auditors' testing of internal control over financial reporting and of compliance with provisions of laws, regulations, contracts, and grant agreements and whether the tests they performed provided sufficient, appropriate evidence to support opinions on the effectiveness of internal control and on compliance or (2) refer to separate reports containing that information. When auditors report separately on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements, the report on the financial statements should state that they have issued the additional report. It should also state that the report on internal control over financial reporting and on compliance with provisions of laws, regulations, contracts, and grant agreements is an integral part of a *Government Auditing Standards* audit in considering the auditee's internal control over financial reporting and compliance. (GAS 4.22; AAG-SLA 4.08, 4.10 and 4.88, Example 4-1)	2		
B11.	When the group engagement partner decides to refer to the audit of a component auditor in the auditor's report on the group financial statements, the report on the group financial statements should clearly indicate that the component was not audited by the auditor of the group financial statements but was audited by the component auditor and should include the magnitude of the portion of the financial statements audited by the component auditor. (AU-C 600.28; AAG-SLV 14.36) *(Note to Reviewer: Example format is included in AU-C 600.A97. AU-C 600.A58 states that the disclosure of magnitude referred to above may be achieved by stating the dollar amounts or percentages of one or more of the following: total assets, total revenues, or other appropriate criteria, whichever most clearly describes the portion of the financial statements audited by a component auditor.)*	2		
B12.	When the auditor modifies the opinion on the financial statements, the auditor should include a paragraph in the auditor's report that provides a description of the matter giving rise to the modification. The auditor should place this paragraph immediately before the opinion paragraph in the auditor's report and use a heading that includes "Basis for Qualified Opinion," "Basis for Adverse Opinion," or "Basis for Disclaimer of Opinion," as appropriate. When the auditor modifies the audit opinion, the auditor should use a heading that includes "Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion," as appropriate, for the opinion paragraph. The opinion paragraph of the report should include the appropriate qualifying language and a reference to the basis for modification paragraph. (AU-C 705.17-.28; AAG-SLV 14.25-14.35)	2		

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B13.	A departure from GAAP in the financial statements for an opinion unit may lead the auditor to qualify the opinion or express an adverse opinion on that opinion unit. When the auditor expresses a qualified or adverse opinion, the auditor should include a basis of modification paragraph that explains, for each affected opinion unit, (*a*) all of the substantive reasons that have led him or her to conclude that there has been a departure from GAAP and (*b*) the principal effects of the subject matter of the qualification on the financial position, changes in financial position, or, where applicable, cash flows, if practicable, or a statement that the effects are not reasonably determinable. (AU-C 705.17-.28; AAG-SLV 14.32-14.35)	2		
B14.	The auditor should include an other-matter paragraph in the auditor's report on the financial statements to refer to the required supplementary information, *Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report*. The other-matter paragraph should include language to explain the following circumstances, as applicable (AAG-SLV 14.68; AU-C 730.07): a. The required supplementary information is included, and the auditor has applied the procedures in paragraph .05 of this section. b. The required supplementary information is omitted. c. Some required supplementary information is missing and some is presented in accordance with the prescribed guidelines. d. The auditor has identified material departures from the prescribed guidelines. e. The auditor is unable to complete the procedures in paragraph .05 of this section. f. The auditor has unresolved doubts about whether the required supplementary information is presented in accordance with prescribed guidelines. *(Note to reviewer: AAG-SLV 14.103 includes an example format of the explanatory paragraph.)*	2		

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B15	If the entity has presented all or some of the required supplementary information, the other-matter paragraph should include the following elements: (AU-C 730.08; AAG-SLV 14.69) a. A statement that [*identify the applicable financial reporting framework (for example, accounting principles generally accepted in the United States of America)*] require that the [*identify the required supplementary information*] be presented to supplement the basic financial statements b. A statement that such information, although not a part of the basic financial statements, is required by [*identify designated accounting standards setter*], who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context c. If the auditor is able to complete the procedures in paragraph .05, i. a statement that the auditor has applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to the auditor's inquiries, the basic financial statements, and other knowledge the auditor obtained during the audit of the basic financial statements ii. a statement that the auditor does not express an opinion or provide any assurance on the information because the limited procedures do not provide the auditor with sufficient evidence to express an opinion or provide any assurance d. If the auditor is unable to complete the procedures in paragraph .05, i. a statement that the auditor was unable to apply certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States because [*state the reasons*] ii. a statement that the auditor does not express an opinion or provide any assurance on the information e. If some of the required supplementary information is omitted, i. a statement that management has omitted [*description of the missing required supplementary information*] that [*identify the applicable financial reporting framework (for example, accounting principles generally accepted in the United States of America)*] require to be presented to supplement the basic financial statements ii. a statement that such missing information, although not a part of the basic financial statements, is required by [*identify designated accounting standards setter*], who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context iii. a statement that the auditor's opinion on the basic financial statements is not affected by the missing information	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
B16.	When the entity presents the supplementary information with the financial statements, the auditor should report on the supplementary information in either (*a*) an other-matter paragraph, *Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor's Report*, or (*b*) in a separate report on the supplementary information. The other-matter paragraph or separate report should include the following elements (AAG-SLV 14.77; AU-C 725.09): a. A statement that the audit was conducted for the purpose of forming an opinion on the financial statements as a whole b. A statement that the supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements c. A statement that the supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements d. A statement that the supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America e. If the auditor issues an unmodified opinion on the financial statements and the auditor has concluded that the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole, a statement that, in the auditor's opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole f. If the auditor issues a qualified opinion on the financial statements and the qualification has an effect on the supplementary information, a statement that, in the auditor's opinion, except for the effects on the supplementary information of (refer to the paragraph in the auditor's report explaining the qualification), such information is fairly stated, in all material respects, in relation to the financial statements as a whole *(Note to reviewer: AAG-SLV 14.103 includes an example format of the explanatory paragraph.)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
B17.	When comparative financial statements are presented, the auditor's report should refer to each period for which financial statements are presented and on which an audit opinion is expressed. When expressing an opinion on all periods presented, a continuing auditor should update the report on the financial statements of one or more prior periods presented on a comparative basis with those of the current period. The auditor's report on comparative financial statements should not be dated earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to support the opinion for the most recent audit. If comparative information is presented but not covered by the auditor's opinion, the auditor should clearly indicate in the auditor's report the character of the auditor's work, if any, and the degree of responsibility the auditor is taking. (AU-C 700.44-.47)	2		
B18.	When a change in the reporting entity results in financial statements that, in effect, are those of a different reporting entity, the auditor should include an emphasis-of-matter paragraph in the auditor's report that describes the change in the reporting entity and provides a reference to the entity's disclosure, unless the change in reporting entity results from a transaction or event. (AU-C 708.09-.11) *(Note to Reviewer - Refer to section Y of this checklist for a listing of entities determined to be component units which should be included in the government's financial statements.)*	2		

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B19.	When the entity presents the schedule of expenditures of federal awards with the financial statements, reporting using an other-matter paragraph is applicable when the schedule of expenditures of federal awards is reported on in the auditor's report on the financial statements. The following elements should be included in the other-matter paragraph or separate report (AAG-SLA 13.11): a. A statement that the audit was conducted for the purpose of forming an opinion on the financial statements as a whole b. A statement that the schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the financial statements c. A statement that the schedule of expenditures of federal awards is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements d. A statement that the schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with GAAS e. If the auditor issues an unmodified opinion on the financial statements and the auditor has concluded that the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole, a statement that, in the auditor's opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole *(Note to Reviewer: If the schedule of expenditures of federal awards is not presented with the financial statements, consult AAG-SLA, par. 13.12 and 13.22)*	2		
Management's Discussion & Analysis (MD&A)				
C1.	The basic financial statements should be preceded by Management's Discussion and Analysis (MD&A), which is required supplementary information (RSI). (GASB 2200.106; GAAFR, page 567)	3		
C2.	The financial section should begin with the independent auditor's report on the financial statement audit. (GAAFR, page 594)	3		
C3.	Management's Discussion and Analysis (MD&A) should include a brief discussion of the basic financial statements, including the relationships of the statements to each other, and the significant differences in the information they provide. (GASB 2200.109; GAAFR, page 568)	3		

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C4a.	Management's Discussion and Analysis (MD&A) should contain condensed financial information derived from government-wide financial statements comparing the current year to the prior year. Governments should present the information needed to support their analysis of financial position and results of operations including the following elements, if relevant (GASB 2200.109; GAAFR, pages 568-569):	3		
C4b.	Total assets, distinguishing between capital and other assets	3		
C4c.	Total deferred outflows of resources	3		
C4d.	Total liabilities, distinguishing between long-term liabilities and other liabilities.	3		
C4e	Total deferred inflows of resources	3		
C4f.	Total net position, distinguishing among the net investment in capital assets; restricted amounts; and unrestricted amounts	3		
C4g.	Program revenues, by major source	3		
C4h.	General revenues, by major source	3		
C4i.	Total revenues	3		
C4j.	Program expenses, at a minimum by function	3		
C4k.	Total expenses	3		
C4l.	Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items, and transfers.	3		
C4m.	Contributions (to term or permanent endowments or permanent fund principal)	3		
C4n.	Special and extraordinary items	3		
C4o.	Transfers	3		
C4p.	Change in net position	3		
C4q.	Ending net position	3		
C5	Whenever comparative financial statements are presented, MD&A needs to provide three years of comparative data. (GAAFR, page 569)	3		
C6.	Management's Discussion and Analysis (MD&A) should include an analysis of the government's overall financial position and results of operations to assist users in assessing whether financial position has improved or deteriorated as a result of the year's operations. The analysis should address both governmental and business-type activities as reported in the government-wide financial statements and should include reasons for significant changes from the prior year, not simply the amounts or percentages of change. In addition, important economic factors, such as changes in the tax or employment bases, that significantly affected operating results for the year should be discussed. (GASB 2200.109; GAAFR, page 569)	3		

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C7.	Management's Discussion and Analysis (MD&A) should include an analysis of balances and transactions of individual funds. The analysis should address the reasons for significant changes in fund balances or fund net position and whether restrictions, commitments, or other limitations significantly affect the availability of fund resources for future use. (GASB 2200.109; GAAFR, page 569) (*Note to reviewer: The government does not have to present condensed financial information for the funds, just a summary analysis. See GASB 2200.907)*	3		
C8.	Management's Discussion and Analysis (MD&A) should include an analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund. The analysis should include any currently known reasons for those variations that are expected to have a significant effect on future services or liquidity. (GASB 2200.109; GAAFR, page 570) *(Note to reviewer: The MD&A should also explain why the variances occurred (for example, the factors that contributed to expenditures exceeding budgeted amounts). The analysis may refer the reader to discussions of those reasons presented in other sections of the MD&A. (Comprehensive Implementation Guide, Question 7.5.11; GAAFR, page 570))*	3		
C9.	Management's Discussion and Analysis (MD&A) should include a description of significant capital asset and long-term debt activity during the year, including a discussion of commitments made for capital expenditures, changes in credit ratings, and debt limitations that may affect the financing of planned facilities or services. (GASB 2200.109; GAAFR, page 570) *(Note to reviewer: This discussion should not repeat the information on capital assets and long-term debt provided in the notes to the financial statements. Rather, it should summarize that information. (GASB 2200, Footnote 9; GAAFR, page 570))*	3		
C10.	Management's Discussion and Analysis (MD&A) should refer readers to the notes to the financial statements for more detail on capital asset and long-term debt activity. (GASB 2200, Footnote 9; GAAFR, page 570)	3		
C11.	Management's Discussion and Analysis (MD&A) should include a discussion by governments that use the modified approach (GASB 1400.105-.107) to report some or all of their infrastructure assets including (GASB 2200.109; GAAFR, page 570): (1) Significant changes in the assessed condition of eligible infrastructure assets from previous condition assessments (2) How the current assessed condition compares with the condition level the government has established (3) Any significant differences from the estimated annual amount to maintain/preserve eligible infrastructure assets compared with the actual amounts spent during the current period.	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
C12.	Information that does not address the required elements of Management's Discussion and Analysis (MD&A) should not be included in the MD&A, but may be reported as supplementary information and could be discussed in the letter of transmittal. (GASB 2200.109, Footnote 8; Comprehensive Implementation Guide, Question 7.5.7)	3		
C13.	Management's Discussion and Analysis (MD&A) should focus on the primary government. Comments in MD&A should distinguish between information pertaining to the primary government and that of its component units. When appropriate, the reporting entity's MD&A should refer readers to the component unit's separately issued financial statements. (GASB 2200.108; GAAFR, page 571)	3		
C14.	Management's Discussion and Analysis (MD&A) should provide a description of currently known facts, decisions, or conditions that are expected to have a significant effect on financial position (net position) or results of operations (revenues, expenses, and other changes in net position). (GASB 2200.109; GAAFR, page 571) *(Note to reviewer: GASB 2200, Footnote 6 states that "currently known facts" are information that management is aware of as of the date of the auditor's report.)*	3		
C15.	The description of currently known facts, decisions or conditions included in Management's Discussion and Analysis (MD&A) should address expected effects on both governmental and business-type activities. (Comprehensive Implementation Guide, Question 7.5.14; GAAFR, page 571)	3		
Basic Financial Statements – General				
D1.	Management's Discussion and Analysis (MD&A) should be immediately followed by the basic financial statements. (GASB 2200.102, .105; GAAFR, page 567, 594)	2		
D2.	Reports required for compliance with federal Single Audit Act or with provisions of the Official Code of Georgia Annotated should be placed following the introductory, financial, and statistical information, as applicable. (GAAFR, page 600, footnote 32)	3		
D3.	Each basic financial statement should contain a reference to the notes to the financial statements. (GAAFR, page 596)	3		
D4.	Governmental entities, including governmental external investment pools, should report investments at fair value in the basic financial statements. Money market investments and participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. Nonparticipating contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure. (GASB I50.105-.108; GAAFR, pages 537-538)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
D5.	If the government has multiple *major* discretely presented component units, the basic financial statements should present separate financial information on each as either 1) separate columns in the reporting entity's statements of net position and activities, or 2) combining statements included within the basic financial statements after the fund financial statements, or 3) condensed financial statements in the notes to the financial statements. (GASB 2200.215, 2600.108; GAAFR, pages 83-84)	2		
D6.	The traditional distinction between operating transfers and residual equity transfers has been discontinued. Therefore all transfers should be recognized as *transfers* on the basic financial statements. (GASB 1800.102, GASBS 34, paragraph 88, 410, and 420)	2		
D7.	The basic financial statements have replaced the general purpose financial statements. Therefore, the term "general purpose financial statements" should not be used in the audit report. (GASB 2200.102(b), Comprehensive Implementation Guide, Question 7.3.1)	2		
D8.	Under the pre-GASBS 34 financial reporting model, certain columnar headings were labeled "memorandum only" to indicate that they were not GAAP presentations and not equivalent to a consolidated presentation. The primary reporting issue addressed by that requirement - combined financial statements with different measurement focuses and bases of accounting for different columns - does not exist in the government wide financial statements. Therefore, total column headings on any financial statements prepared in accordance with GASBS 34 should not be labeled "memorandum only". (GASB 2200.112, .162, .165; GASBS 34, paragraph 304)	2		
D9.	OCGA 36-81-7 requires an annual audit of the financial affairs and transactions of all funds and activities of the local government for each fiscal year of the local government.	X		
Government-Wide Financial Statements				
E1.	Government-wide financial statements should be presented using the economic resources measurement focus and the accrual basis of accounting. (GASB 1600.103; GAAFR, pages 63, 101 and 295)	1		
E2.	Separate rows and columns should be used to distinguish between the governmental and business-type activities of the primary government on the government-wide financial statements. In general, governmental activities include activities reported in the governmental fund financial statements, and business-type activities include activities reported as enterprise funds in the proprietary fund financial statements. (GASB 2200.113; GAAFR, pages 62 and 298) *(Note to reviewer: See Comprehensive Implementation Guide, Question 7.7.4 for additional guidance.)*	2		
E3.	The government-wide financial statements should report information about the overall government without displaying individual funds or fund types. (GASB 2200.110)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
E4.	The government-wide financial statements should present a total column for the primary government. (GASB 2200.112, GAAFR, page 299)	2		
E5.	All internal balances (payables and receivables between governmental activities and business-type activities) must be eliminated from the total primary government column of the Statement of Net Position. (GASB 2200.152, GAAFR, page 299)	2		
E6.	Discretely presented component units should be presented in separate column(s) to the right of the total column for the primary government in the government-wide financial statements. (GASB 2200.110, .142; .910; GAAFR, page 299)	2		
E7.	The reporting entity's government-wide financial statements should display information about the reporting government as a whole, using separate rows and columns to distinguish between the total primary government and its discretely presented component units. (GASB 2100.110; Comprehensive Implementation Guide, Question 7.7.3)	2		
E8.	The government-wide financial statements should not include information about fiduciary activities, including component units that are fiduciary in nature. (GASB 2200.110; GAAFR, pages 62 and 295)	2		
E9.	Resource flows (except those that affect the statement of financial position only) between a primary government and its discretely presented component units should be reported as if they were external transactions- that is, as revenues and expenses. (GASB 2200.155; GAAFR, pages 53 and 86-87)	2		
Government-Wide Statement of Net Position				
F1.	The basic financial statements should include a government-wide Statement of Net Position. (GASB 2200.102, .105, .110; GAAFR, pages 295-296)	1		
F2.	The government-wide statement of net position should report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Governments are encouraged to present the statement of net position in a format that displays *assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources equals net position,* although a balance sheet format (*assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources plus net position)* may be used. (GASB 2200.115; GAAFR, pages 296-297)	2		
F3.	GAAP prescribe two approaches for ordering the presentation of assets and liabilities on the government-wide statement of net position. The preferred approach is to present assets and liabilities in the relative order of their liquidity. Alternatively, assets and liabilities may be classified simply as current or long-term. If a reported liability account has an average maturity greater than one year, GAAP requires that the current and noncurrent portions be reported separately within that reported liability account. (GASB 2200.116; GAAFR, pages 297-298)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
F4.	If assets and liabilities are presented in their relative order of their liquidity on the Statement of Net Position, a liability account that has an average maturity of greater than one year must separately report the current and noncurrent portions within that liability account. (GAAFR, page 298.)	3		
F5.	All capital and infrastructure assets associated with governmental activities should be reported in the governmental activities column on the government-wide statement of net position. (GASB 1400.114; GAAFR, page 96)	2		
F6.	Capital assets that are being or have been depreciated should be reported net of accumulated depreciation on the government-wide statement of net position. Accumulated depreciation may be reported on the face of the statement of net position or disclosed in the notes. (GASB 1400.112)	2		
F7.	Assets not being depreciated should be displayed separately from depreciable assets in the statement of net position. (GASB 1400.112; Comprehensive Implementation Guide, Question 7.11.3; GAAFR, pages 300 and 442)	2		
F8.	All intangible assets subject to the provisions of GASB Statement No. 51 should be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets, including the areas of recognition, measurement, depreciation (termed *amortization* for intangible assets), impairment, presentation, and disclosures should be applied to intangible assets, as applicable. An intangible asset should be recognized in the statement of net position (including the government-wide statement of net position, proprietary fund statement of fund net position, and if applicable, the statement of fiduciary net position) only if it is identifiable. (GASB 1400.140, .141; GAAFR, page 439)	2		
F9.	Amounts that are required to be reported as deferred outflows of resources should be reported in a statement of financial position in a separate section following assets. The total for deferred outflows of resources may be added to the total for assets to provide subtotals. (GASBS 63, ¶7)	2		
F10.	All long-term liabilities associated with governmental activities should be reported in the governmental activities column on the government-wide statement of net position. (GASB 1500.103; GAAFR, page 96)	2		
F11.	The nature of a net pension or OPEB obligation is such that there is no amount that is "due" within one year, and therefore, the amount should be reported as a long-term liability. The net pension or OPEB obligation affects the actuarial calculation of future annual required contributions and thus does not represent a liability that is subject to a payment schedule with current and noncurrent installments. (Comprehensive Implementation Guide, Question 7.22.6)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
F12.	Amounts that are required to be reported as deferred inflows of resources should be reported in a statement of financial position in a separate section following liabilities. The total for deferred inflows of resources may be added to the total for liabilities to provide subtotals. (GASBS 63, ¶7)	2		
F13.	The residual amount on the government-wide statement of net position should be reported as *net position*, rather than net assets, proprietary or fiduciary fund balance, or equity. (GASB 2200.115)	2		
F14.	Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components on the government-wide statement of net position (GASB 2200.117; GAAFR, page 300): a. net investment in capital assets b. restricted (distinguishing between major categories of restrictions) c. unrestricted	2		
F15.	If the government has no debt or deferred inflows of resources, the term "Investment in Capital Assets" should be used rather than "Net Investment in Capital Assets". (GAAFR, page 303; Comprehensive Implementation Guide, Question 7.23.7)	3		
F16.	The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should *not* be included in the calculation of net *investment in capital assets.* Instead, that portion of the debt or deferred inflow of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. (GASB 2200.118; GAAFR, pages 300-301)	2		
F17.	Accrued interest on any capital-related debt generally should not be included in the computation of the net investment in capital assets component of net position. (Comprehensive Implementation Guide, Question 7.22.9)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
F18.	If debt is capital-related, the amounts of premiums, discounts, and deferred amounts from refundings would be included in the calculation of net *investment in capital assets component of net position*. If the debt is restricted for a specific purpose and the proceeds are unspent, the net proceeds would affect the *restricted component of net position*. If the debt proceeds are not restricted for capital or other purposes, the unamortized premiums, discounts, and deferred amounts from refundings would be included in the calculation of unrestricted net position. Unamortized debt issue costs should be included in unrestricted net position because those outlays do not acquire, construct, or improve capital assets. If the issuance costs were paid from bond proceeds, the portion of outstanding debt attributable to those issuance costs also should be included in the unrestricted net position. (Comprehensive Implementation Guide, Question 7.23.3; GAAFR, page 301, footnote 22)	3		
F19.	Restricted assets are sometimes set aside to make debt service payments on capital-related debt. In such cases, the assets themselves, *but not the related debt*, should be considered as part of the calculation of *restricted net position*. That is, capital-related debt is always properly taken into consideration as part of the calculation of *net investment in capital assets*. (Comprehensive Implementation Guide, Question 7.24.2; GAAFR, page 304)	3		
F20.	The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position are either (GASB 2200.119): a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of *other* governments. b. Imposed by law through constitutional provisions or enabling legislation. *(Note to reviewer: GASB 2200, Footnote 15 states that because different measurement focuses and bases of accounting are used in the government-wide statement of net position and in governmental fund statements, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted net position in the statement of net position.)*	2		
F21.	The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. (GASB 1800.162, 2200.124; GAAFR, page 305)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
F22.	Amounts reported in the funds as interfund receivables and payables, or as deferred revenues and charges resulting from the intra-entity transactions, should be eliminated in the governmental and business-type activities columns of the primary government on the government-wide statement of net position, except for the net residual amount due between governmental and business-type activities, which should be presented as internal balances. Amounts reported in the funds as receivable from or payable to fiduciary funds should be included in the statement of net position as receivable from and payable to external parties. All internal balances should be eliminated in the total primary government column. (GASB 2200.152)	2		
F23.	Internal advances are not considered debt or other borrowing for purposes of calculating the net position components. Internal balances enter into the computation of unrestricted net position. (Comprehensive Implementation Guide, Question 7.23.11)	3		
F24.	No category of restricted net position can have a negative balance. The negative amount should be reported as a reduction of unrestricted net position. (GAAFR, pages 304-305; Comprehensive Implementation Guide, Question 7.24.13)	3		
Government-Wide Statement of Activities				
G1.	The basic financial statements should include a government-wide Statement of Activities. (GASB 2200.102, .105, .110; GAAFR, pages 295, 305) *(Note to reviewer: According to GASB Ut5.104, "governments engaged only in business-type activities should present only the financial statements required for enterprise funds.")*	1		
G2.	Expenses should be presented in a column before revenues on the government-wide statement of activities. (GASB 2200.126 and .142; GAAFR, page 305)	2		
G3.	The government-wide statement of activities should present governmental activities at a minimum at the functional level (i.e., general government, public safety, public works, engineering services, health and sanitation, etc.) (GASB 2200.127; GAAFR, page 306)	2		
G4.	The government-wide statement of activities should present business-type activities at least by different identifiable activities. (GASB 2200.127; GAAFR, page 306) *(Note to reviewer: GASB 2200, Footnote 19, states that an activity within an enterprise fund is identifiable if it has a specific revenue stream and related expenses and gains and losses that are accounted for separately. For example, providing natural gas is different from supplying water or electricity, even though all three are regarded as utility services.)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
G5.	Depreciation expense for capital assets such as a city hall or a state office building that essentially serves all functions of the government may be included as a separate line in the government-wide statement of activities or as part of the "general government" (or its counterpart) function. If a government uses a separate line in the statement of activities to report unallocated depreciation expense, it should clearly indicate on the face of the statement that this line item excludes direct depreciation expenses of the various programs. (GASB 2200.132; GAAFR, page 307)	2		
G6.	Depreciation expense for general infrastructure assets should not be allocated to the various functions on the government-wide statement of activities. It should be reported as a direct expense of the function (for example, public works or transportation) that the reporting government normally associates with capital outlays for, and maintenance of, infrastructure assets or as a separate line in the statement of activities. (GASB 2200.133; GAAFR, page 307)	2		
G7.	Interest on general long-term liabilities should be considered an indirect expense except in those limited instances when the borrowing is essential to the creation or continued existence of a program and it would be misleading to exclude. (GASB 2200.134; Comprehensive Implementation Guide, Question 7.30.1; GAAFR, pages 307-308) (Note to reviewer: GAAFR page 308 states that a separate interest expense line should not be reported in connection with business-type activities.)	2		
G8.	GAAP permit governments to allocate their indirect expenses. If a government elects to do so, the statement of activities should present a separate column for this purpose. That column should present a *decrease* for each line that reports an expense to be allocated (such as general government) and a corresponding *increase* for each line to which that expense is being allocated (such as public safety). (GAAFR, pages 306-307) *(Note to reviewer: This column should net to $0 in total)*	3		
G9.	The statement of activities should report three categories of program revenues, as appropriate: (a) charges for services, (b) program-specific operating grants and contributions, and (c) program-specific capital grants and contributions. (GASB 2200.136; GAAFR, page 310)	2		
G10.	*Program-specific grants and contributions* include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program (GASB 2200.138)	2		
G11.	When earnings of the *invested accumulated resources* of a program are *legally restricted* to be used for that program, the net cost to be financed by the government's general revenues is reduced, and those investment earnings should be reported as program revenues. (GASB 2200.139; Comprehensive Implementation Guide, Question 7.39.7)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
G12.	General revenues should be reported after total net expense of the government's functions on the government-wide statement of activities. (GASB 2200.140; GAAFR, page 313)	2		
G13.	All taxes, even those levied for a specific purpose, are general revenues and should be reported by type of tax (for example, sales tax, property tax, franchise tax, and income tax) on the government-wide statement of activities. (GASB 2200.140; GAAFR, page 313)	2		
G14.	Fines and forfeitures should be treated as charges for services on the government-wide statement of activities. (GASB 2200.137; Comprehensive Implementation Guide, Question 7.33.4; GAAFR, page 311)	2		
G15.	Licenses and permits should be treated as charges for services on the government-wide statement of activities. (GASB 2200.137; Comprehensive Implementation Guide, Question 7.32.1)	2		
G16.	Special assessments should be shown as program revenues on the government-wide statement of activities. Operating special assessments should be presented as *charges for services* and capital-type special assessments should be presented as *capital grants and contributions.* (GASB 2200.137-.138; Comprehensive Implementation Guide, Questions 7.36.1 and 7.36.2; GAAFR, page 309)	2		
G17.	The government-wide statement of activities should report contributions to term and permanent endowments, contributions to permanent fund principal, special items and extraordinary items, and transfers separately from, but in the same manner as, *general revenues*. (GASB 2200.141; GAAFR, pages 313-315)	2		
G18.	Contributions to term endowments, permanent endowments and permanent fund principal should be reported as a separate line item on the government-wide statement of activities, immediately following general revenues. Special and extraordinary items should be reported on a separate line after endowment and permanent fund contributions (if special items and extraordinary items occur in the same period, the two should be reported separately within a single category, with special items reported before extraordinary items). Transfers is the last item reported on the government-wide statement of activities before the total change in net position. (GAAFR, pages 313-315)	3		
G19.	Only the net amount transferred between governmental and business-type activities should be reported on the statement of activities. (Comprehensive Implementation Guide, Question 7.47.16) *(Note to reviewer: GAAFR, page 313 states that the transfers between governmental activities and business-type activities may not appear in the primary government total column.)*	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
G20.	Generally, contributed capital assets would be reported as program revenues. Conceptually, the contribution of a specific capital asset should be reported in the same way as a contribution of financial resources restricted to purchase or construct that asset would be reported. However, there may be occasions when the contributed asset is such that its intended use is not obvious or limited and the government may have no immediate plans for how it will be used. In those circumstances, it would be more appropriate to report the donated assets as general revenue. (GAAFR, page 310; Comprehensive Implementation Guide, Question 7.34.7)	3		
G21.	Governments should disclose in the notes to financial statements any significant transactions or other events that are either unusual or infrequent but not within the control of management. (GASB 2200.144; GAAFR, page 382)	2		
G22.	A loss resulting from the impairment of a capital asset should be treated as a direct expense of the function that uses the asset (assuming the loss is not classified as a special or extraordinary item). A loss associated with the disposal of a capital asset, on the other hand, would be reported either as an expense of the general government, or as a direct expense of the related function or program, as appropriate, depending on the specific circumstances. (GAAFR, page 308)	3		
G23.	Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence. Significant transactions or other events *within the control of management* that are *either* unusual in nature *or* infrequent in occurrence are special items. (GASB 2200.143, .144; GAAFR, pages 114-115)	2		
Fund Financial Statements - General				
H1.	Interfund receivables and payables in the fund financial statements should be equal. (GASB 1300.120)	2		
H2.	Lender funds should report interfund loans as interfund receivables while borrower funds should report them as interfund payables. (GASB 1300.120; AAG-SLV 9.08; GAAFR, page 49)	2		
H3.	Due to other funds should not be shown for agency funds. If the agency fund is used as a clearing account to distribute financial resources to other funds of the government, as well as other entities, the portion of the clearing account balance that pertains to other funds of the county should not be reported in agency funds. Rather, it should be reported as assets in the appropriate funds. (GASB 2200.200; GAAFR, page 49)	2		
H4.	The fund financial statements should not include a fund type other than one of the eleven types normally used by state and local government. (GASB 1300.103)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
H5.	Discretely presented component units are included only in the government-wide financial statements, while fiduciary funds and fiduciary component units are excluded from those same government-wide financial statements. Component units that are fiduciary in nature, however, should be included only in the fund financial statements with the primary government's fiduciary funds. (GASB 2200.214; GAAFR, page 82)	2		
H6.	A combined total column should be presented in the governmental fund financial statements. (GASB 2200.162, .165; GAAFR, page 193)	2		
H7.	If aggregation in the summary reconciliation obscures the nature of the individual elements of a particular reconciling item, governments should provide a more detailed explanation in the notes to the financial statements. (GASB 2200.160; Comprehensive Implementation Guide, Question 7.57.3; GAAFR, page 347) *(Note to reviewer: GAAFR page 347 states that potential obscurity requiring note disclosure occurs whenever 1) a single reconciling item is a combination of several similar balances or transactions (e.g., different types of long-term liabilities) or 2) a single reconciling item is a net adjustment.)*	2		
H8.	The fund reconciliations should be presented at the bottom of the fund financial statements or in an accompanying schedule. Alternatively, when space permits, reconciliations can be presented on the same page as, but to the right of, the fund financial statements, rather than at the bottom of the page. The "accompanying schedule" should be considered a continuation of the fund financial statement; therefore, the schedule should be on the page immediately following the statement it supports. (Comprehensive Implementation Guide, Question 7.57.2; GAAFR, page 194)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
H9.	The focus of governmental and proprietary fund financial statements is on *major* funds. Fund statements should present the financial information of each major fund in a separate column. Individual governmental and enterprise funds should be reported in separate columns as major funds based on these criteria (GASB 2200.158, .159; GAAFR, pages 184, 231): a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding element total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds) *and* b. The same element that met the 10 percent criterion in (a) is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined. *(Note to reviewer: GASB 2200.158 states that "in addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.")* *(Note to reviewer: Comprehensive Implementation Guide, Question 7.56.14 states "Statement 34 does not require any adjustments to the combined totals for assets, liabilities, revenues, and expenditures/expenses. However, because the major fund criteria focus on assets and liabilities separately, significant interfund balances could influence the outcome of the major fund test. Interfund balances should not be eliminated, but if there are significant interfund receivables and payables, governments may adopt a policy (and use it consistently from year to year) to use a single "net" amount for each fund. Those changes would carry over to the respective total columns so that the governmental and enterprise fund totals would include the combined "net" amounts from the individual funds. Use of the "netting" process should be limited to the determination of major funds. It should not be used for fund financial statement reporting purposes.")*	1		
H10.	Nonmajor funds should be aggregated and displayed in a single column in the fund financial statements. (GASB 2200.158; GAAFR, pages 188, 232)	2		
H11.	If a government has only one nonmajor governmental fund, that fund will necessarily have to be reported in its own separate column on the governmental fund financial statements. The presentation of a separate column is *not* equivalent to classification as a major fund in such cases. To avoid potential misunderstandings, financial statement preparers are advised to use columnar labels that make it clear whenever a separate fund column is not a major fund. (Comprehensive Implementation Guide, Question 7.56.8; GAAFR, pages 188, 232)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
H12.	Nonmajor funds should be aggregated and presented in a single column. If a government wants to present a specific fund separately in the basic financial statements, even if it does not meet the percentage criteria, it should be reported as a major fund, rather than as a separate nonmajor fund. (Comprehensive Implementation Guide, Question 7.55.2)	3		
H13.	The main operating fund (the general fund or equivalent) should always be reported as a major fund in the fund financial statements. (GASB 2200.159; GAAFR, page 183)	1		
H14.	Each local government is required to adopt and use the Uniform Chart of Accounts for Local Governments in Georgia. The reporting of the following funds is not consistent with the fund type specified in the Uniform Chart of Accounts (OCGA 36-81-3(e): *(Note to reviewer: The Uniform Chart of Accounts for Local Governments in Georgia is available for viewing on the website of the Georgia Department of Community Affairs – www.dca. ga.gov)*	X		
H15.	Each local government is required to adopt and use the Uniform Chart of Accounts for Local Governments in Georgia. The Uniform Chart of Accounts specifies that, if a government finances a capital project from multiple funding sources and SPLOST is one of the funding sources, the SPLOST fund must be used for the total financing of the project. If the government is expending these tax proceeds in an enterprise fund, the government must report the tax revenue in this fund first and then transfer the proceeds to the enterprise fund. (OCGA 36-81-3(e))	X		
H16.	Nonreciprocal interfund activity is the internal counterpart to nonexchange transactions. It includes interfund transfers and interfund reimbursements. Interfund reimbursements are repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements should not be displayed in the financial statements. Interfund reimbursements are treated as an adjustment to expenses or expenditures; that is, an increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund. (GASB 1800.102(b)(2); GAAFR, page 53)	2		
H17.	When accounting for the transfer of capital and financial assets and future revenues within the same financial reporting entity, the transferee should recognize the assets or future revenues received at the carrying value of the transferor. (GASB S20.112)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
H18.	Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. (GASB 1300.105; GAAFR, pages 40-41) *(Note to reviewer: Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources. Per the Comprehensive Implementation Guide, Question Z.54.39, these resources could also be reported as part of another fund with a similar purpose that does meet the criteria to be reported as a special revenue fund.)*	2		
H19.	Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. (GASB 1300.106; GAAFR, page 42) *(Note to reviewer: Per the Comprehensive Implementation Guide, Question Z.54.42, capital projects funds may include expenditures for items that are capital in nature but do not qualify for reporting as capital assets under the government's capitalization policy.)*	2		
H20.	Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. (GASB 1300.107; GAAFR, pages 42-43)	2		
H21.	Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. (GASB 1300.108; GAAFR, page 43)	2		
Balance Sheet - Governmental Funds				
I1.	The basic financial statements should include a governmental fund balance sheet. (GASB 2200.105,.161; GAAFR page 183)	1		
I2.	The governmental fund financial statements should be presented using the current financial resources measurement focus and the modified accrual basis of accounting. (GASB 1600 Introduction and 1300.102; GAAFR, pages 63 and 101)	1		
I3.	Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balances of governmental funds should be displayed in a balance sheet format (assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources plus fund balance). (GASB 1300.102, 2200.162)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
I4.	Governmental funds focus on *current financial resources*. Accordingly, only financial assets are properly reported in governmental funds. An asset is considered financial if it is a form of *cash*, an asset that will be *converted to cash in the ordinary course of business*, *inventory* (materials or supplies), or *a prepayment*. (GASB 2200.162; GAAFR, pages 169-170)	2		
I5.	Unmatured long-term indebtedness (the portion of general long-term indebtedness that is not yet due for payment) should be reported as general long-term liabilities of the government, rather than as governmental fund liabilities. That requirement applies not only to formal debt issues such as bonds, but also to other forms of general long-term indebtedness, including capital leases, compensated absences, claims and judgments, pensions, termination benefits, landfill closure and postclosure obligations, pollution remediation obligations, and "other commitments that are not current liabilities properly recorded in governmental funds." (GASB 1600.118,.122; GAAFR, page 174) *(Note to reviewer: GASB 1600.122 states that "governmental fund liabilities and expenditures for claims and judgments, compensated absences, termination benefits, landfill closure and postclosure care costs, and receipts of goods and services for pollution remediation should be recognized to the extent the liabilities are "normally expected to be liquidated with expendable available financial resources.")*	2		
I6.	Governmental funds report a liability for compensated absences only to the extent that there are pending payouts of unused leave owed to employees separated from active service as of the end of the reporting period. (GAAFR, pages 175 and 533)	3		
I7.	Subtotals for liabilities and fund balance should be provided on the governmental balance sheet. (GASB 2200.915)	3		
I8.	The difference between assets and liabilities should be labeled *fund balance*. (GASB 2200.162, 1300.102; GAAFR, page 189)	2		
I9.	Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. (GASB 1800.165)	2		
I10.	The nonspendable fund balance classification should be used for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact (GASB 1800.166; GAAFR, page 189)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
I11.	The amount that should be reported as nonspendable fund balance should be determined before classifying amounts in the restricted, committed, and assigned fund balance classifications. (GASB 1800.179) *(Note to reviewer: According to the Comprehensive Implementation Guide, question Z.54.18, the nonspendable amount would not be affected by deficits in the other fund classifications.)*	2		
I12.	GASB Statement 34, paragraph 35, requires amounts that are "required to be retained in perpetuity" to be classified "non-expendable" within the restricted net position category. For fund balance reporting purposes, however, those amounts should be classified as nonspendable rather than restricted. (GASB 1800.167)	2		
I13.	Fund balance should be reported as restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. (GASB 1800.168; GAAFR, page 190)	2		
I14.	Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority should be reported as committed fund balance. (GASB 1800.170; GAAFR, pages 190-191)	2		
I15.	Amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Assigned fund balance includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose. (GASB 1800.173, .175; GAAFR, page 191)	2		
I16.	By reporting particular fund balance amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the government has *assigned* those amounts to the purposes of the respective funds. (GASB 1800.175)	2		
I17.	Assignment of fund balance within the general fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the government itself. However, governments should not report an assignment for an amount to a specific purpose if the assignment would result in a deficit in unassigned fund balance. (GASB 1800.175; GAAFR, page 192)	2		
I18.	Unassigned fund balance is the residual classification for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. (GASB 1800.177; GAAFR, page 192)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
I19.	In a governmental fund other than the general fund, expenditures incurred for a specific purpose might exceed the amounts in the fund that are restricted, committed, and assigned to that purpose and a negative residual balance for that purpose may result. If that occurs, amounts assigned to other purposes in that fund should be reduced to eliminate the deficit. If the remaining deficit eliminates all other assigned amounts in the fund, or if there are no amounts assigned to other purposes, the negative residual amount should be classified as *unassigned* fund balance. In the general fund, a similar negative residual amount would have been eliminated by reducing unassigned fund balance. (GASB 1800.179; GAAFR, page 192)	2		
I20.	A negative residual amount should not be reported for restricted, committed, or assigned fund balances in any fund. (GASB 1800.179)	2		
I21.	Encumbrances should not be displayed on the face of the financial statements. (Comprehensive Implementation Guide, Question Z.54.27)	3		
I22.	For the purposes of reporting fund balance, stabilization [economic stabilization, revenue stabilization, budgetary stabilization, and other similarly intended (including "rainy-day") arrangements] is considered a *specific purpose*. Stabilization amounts should be reported in the general fund as restricted or committed if they meet the criteria set forth, based on the source of the constraint on their use. Stabilization arrangements that do not meet the criteria to be reported within the restricted or committed fund balance classifications should be reported as *unassigned* in the general fund. (GASB 1800.181; GAAFR, pages 190-192)	2		
I23.	The balance sheet for governmental funds should present a summary reconciliation at the bottom of the statement or accompanying schedule to reconcile total governmental fund balances to net position of governmental activities. (GASB 2200.160 and .164; GAAFR, page 194)	1		
I24.	The summary reconciliation for the balance sheet for governmental funds should include, but is not limited to, the effects of (GASB 2200.164; GAAFR, page 270): a. Reporting capital assets at their historical cost and depreciating them instead of reporting capital acquisitions as expenditures when incurred b. Adding general long-term liabilities not due and payable in the current period c. Reducing deferred revenue for those amounts that were not available to pay current period expenditures d. Adding internal service fund net position balances	2		
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds				
J1.	The basic financial statements should include a statement of revenues, expenditures and changes in fund balances for governmental funds. (GASB 2200.105, .161; GAAFR, page 183)	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
J2.	The statement of revenues, expenditures, and changes in fund balances should present the following information in the following order: revenues; expenditures; excess (deficiency) of revenues over expenditures; other financing sources and uses; special items; extraordinary items; net changes in fund balance; and fund balance beginning and end of period. (GASB 2200.165; GAAFR, page 194)	2		
J3.	Revenues on the statement of revenues, expenditure and changes in fund balances should be classified by major source: taxes, licenses and permits, intergovernmental revenues, charges for services, fines and forfeits, and miscellaneous. (GASB 1800.131, 2200.166; GAAFR, page 194) *(Note to reviewer: GAAFR page 194 states that if overall investment income is negative in a given year, it should be reported as a "negative revenue," rather than as an expenditure.)*	2		
J4.	Expenditures on the statement of revenues, expenditures and changes in fund balances should be classified by character (current expenditures, capital outlays, debt service and intergovernmental) on the basis of the fiscal period they are presumed to benefit. (GASB 1800.136)	2		
J5.	Expenditures on the statement of revenues, expenditures, and changes in fund balances should be classified at a minimum by function. (GASB 2200.166; GAAFR, page 194)	2		
J6.	In practice, the *capital outlays* character classification typically is employed only for expenditures reported in capital projects funds. Routine capital expenditures in the general fund typically are included in the appropriate functional category (purchase of a new police vehicle included as part of *expenditures - public safety*). (GAAFR, page 195) *(Note to reviewer: GAAFR page 195, footnote 48 states that this practice is consistent with the nonauthoritative illustrative material provided in both NCGA Statement 1, example 2, and GASB 34 Statement No 34, illustrations C-2 and H-2.)*	3		
J7.	The term "expenses" should not be used in connection with governmental fund types. (GASB 1800.101; GAAFR, page 100)	2		
J8.	Outlays associated with intangible assets subject to the provisions of GASB Statement No. 51 should be reported as expenditures when incurred in financial statements prepared using the current financial resources measurement focus. (GASB 1400.153)	2		
J9.	If a capital lease was initiated during the period, the net present value of the minimum lease payments should be shown as an expenditure and an other financing source on the governmental fund operating statement. (GASB 1800.128; GAAFR, page 158)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
J10.	Items that should be reported as other financing sources and uses include the face amount of long-term debt, issuance premium or discount, certain payments to escrow agents for bond refundings, transfers, and sales of capital assets (unless the sale meets the criteria for reporting as a special item). (GASB 2200.167, 1800.124 and .125; GAAFR, pages 155 and 161)	2		
J11.	Debt *proceeds* should not be reported as an other financing source. GASB Statement 34, paragraph 88, as amended, requires the face amount of long-term debt, rather than the proceeds, to be reported as an other financing source. That paragraph also includes issuance premium or discount among the items that should be reported as other financing sources or uses, and paragraph 87 of Statement 34 states that debt issuance costs paid out of debt proceeds, such as underwriter fees, should be reported as expenditures. (GASB 2200.166, .167; Comprehensive Implementation Guide 7.66.1; GAAFR, pages 155 - 157)	2		
J12.	For governmental funds, if all legal steps have been taken to refinance the bond anticipation notes and the intent is supported by an ability to consummate refinancing the short-term notes on a long-term basis in accordance with the criteria set forth in FASB Statement 6, they should be reported only as general long-term liabilities in the governmental activities column of the government-wide statement of net position. If the necessary legal steps and the ability to consummate refinancing criteria have not been met, then the bond anticipation note should be reported as a liability in the governmental fund receiving proceeds as well as in the government-wide statement of net position. (GASB B50.102; GAAFR, page 175)	2		
J13.	Revenue anticipation note and tax anticipation note proceeds should not be shown as an "other financing source." These notes should only be reflected on the balance sheet of the governmental funds. (GASB B50.102; GAAFR, page 175)	2		
J14.	For current and advance refundings resulting in defeasance of general long-term debt, the face amount of the new debt should be reported as an "other financing source - refunding bonds" in the governmental fund receiving the proceeds. For advance refundings, payments to the escrow agent from resources provided by the new debt should be reported as an "other financing use - payment to refunded bond escrow agent." Payments to the escrow agent made from other resources of the entity should be reported as debt service expenditures. (GASB D20.109, 1800.125; GAAFR, pages 473 - 475)	2		
J15.	The Statement of Revenues, Expenditures, and Changes in Fund Balances should provide a summary reconciliation at the bottom of the statement or accompanying schedule that reconciles total change in governmental fund balances to the change in net position of governmental activities. (GASB 2200.160, .169; GAAFR, page 196)	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
J16.	The summary reconciliation for the Statement of Revenues, Expenditures, and Changes in Fund Balances should include, but is not limited to, the effects of (GASB 2200.169; GAAFR, page 270): a. Reporting revenues on the accrual basis b. Reporting annual depreciation expense instead of expenditures for capital outlays c. Reporting long-term debt proceeds in the statement of net position as liabilities instead of other financing sources; also, reporting debt principal payments in the statement of net position as reductions in liabilities instead of expenditures d. Reporting other expenses on the accrual basis e. Adding the net revenue (expense) of internal service funds	2		
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Major Special Revenue Funds				
(Note to Reviewer: If the budgetary comparison information is presented as a basic financial statement, the reviewer should evaluate it using the criteria in section K. The reviewer should evaluate budgetary comparison schedules presented as RSI using the criteria in section T.)				
K1.	A budgetary comparison statement must be presented for the general fund and for each major individual special revenue fund for which an annual budget is legally adopted. OCGA 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project-length balanced budget for each capital projects fund. (GASB 1100.111, 1100, Footnote 2, 2200.206, 2400.102; GAAFR, page 196)	2 - X		
K2.	The required budgetary comparison information should be reported together. A government cannot present some information in the basic financial statements and the remainder in schedules as RSI. (Comprehensive Implementation Guide, Question 7.91.7)	3		
K3.	The budgetary comparison statement should present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the government's budgetary basis. (GASB 2200.206, 2400.102; GAAFR, page 197) *(Note to Reviewer: Comprehensive Implementation Guide, Question 7.92.3 states that the final budget should incorporate amendments regardless of when signed into law or otherwise legally authorized, including amendments made to the budget after the fiscal year ends.)*	2		
K4.	Governments do *not* have the option of presenting budgetary comparisons for other funds (capital projects, debt service, nonmajor special revenue funds, etc.) in conjunction with the basic financial statements. (GAAFR, page 196-197)	3		
K5.	A separate column on the budgetary comparison statement to report the variance between the final budget and actual amounts is encouraged, but not required. Governments may also report the variance between original and final budget amounts. (GASB 2200.206, 2400.102; GAAFR, page 198)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
K6.	The variance column on the budgetary statement should not be captioned favorable/unfavorable. (GAAFR, page 198) *(Note: GAAFR, page 198, footnote 66 suggests labeling the column simply "variance" or "difference".)*	3		
K7.	The budgetary comparison statement should be accompanied by information (either on the face of the statement or notes to the financial statements) that reconciles differences between budgetary practices and GAAP attributable to basis, timing, perspective and entity differences. (GASB 2200.207, 2400.103; GAAFR, page 198)	2		
K8.	When the budgetary comparison is presented as part of the basic governmental fund financial statements, it is properly referred to as a statement. (GAAFR, page 197)	3		
Proprietary Fund Financial Statements				
L1.	Proprietary fund statements should be presented using the economic resources measurement focus and the accrual basis of accounting. (GASB 1300.102 and 1600.130; GAAFR, pages 63 and 101)	1		
L2.	Proprietary fund statements should present the financial information for each major enterprise fund in a separate column. (GASB 2200.171; GAAFR, page 232)	2		
L3.	Nonmajor enterprise funds should be aggregated and displayed in a single column. (GASB 2200.171; GAAFR, page 232)	2		
L4.	A combined total column should be presented for all enterprise funds. (GASB 2200.171; GAAFR, page 233)	2		
L5.	Major fund reporting requirements do not apply to internal service funds. The combined totals for all internal service funds should be reported in separate columns on the face of the proprietary fund financial statements to the right of the total enterprise funds column. (GASB 2200.171; GAAFR, page 230)	2		
L6.	The government should refrain from using enterprise funds to report activities for which fees and charges are not a revenue source. (GASB 1300.109; GAAFR, page 44)	2		
L7.	Internal service funds should only be used if the reporting government is the predominant participant in the activity. Otherwise, the activity should be reported as an enterprise fund. (GASB 1300.110; GAAFR, page 45)	2		
L8.	For municipal solid waste landfills (MSWLF) reported in proprietary fund financial statements, a portion of the estimated total current cost of MSWLF closure and postclosure care should be recognized as an expense and as a liability in each period that the MSWLF accepts solid waste. Recognition should begin on the date the MSWLF begins accepting solid waste, continue in each period that it accepts waste, and be completed by the time it stops accepting waste. Estimated total current cost should be assigned to periods based on MSWLF use (cubic yards, airspace, or other measure) rather than on the passage of time. (GASB L10.106)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
L9.	Generally, the amounts reported as net position and changes in net position in the proprietary fund financial statements for total enterprise funds will be the same as net position and changes in net position of business-type activities in the government-wide statement of activities. However, if there are differences, they should be explained on the face of the fund statement (or in an accompanying schedule). (GASB 2200.194; GAAFR, pages 234 and 236)	2		
Statement of Fund Net Position/Balance Sheet - Proprietary Funds				
M1.	The basic financial statements should include a statement of net position for proprietary funds. (A balance sheet format may be used). (GASB 2200.105, .170; GAAFR, page 229)	1		
M2.	Assets and liabilities should be classified as *current* and *long-term* on the statement of net position/balance sheet for proprietary funds. (GASB 2200.172; GAAFR, page 230) *(Note to Reviewer: GASB Statement No. 51 states that intangible assets should be recognized in the statement of fund net position only if identifiable and should be classified as capital assets. Existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to intangible assets, as applicable.)*	2		
M3.	Amounts held in restricted accounts for the payment of current liabilities are properly classified as current assets. (GAAFR, page 230)	3		
M4.	Net position/equity should be subdivided into the following categories, as appropriate: 1) net investment in capital assets, 2) restricted (distinguishing between major categories of restrictions), and 3) unrestricted. (GASB 2200.173; GAAFR, page 234)	2		
M5.	Capital contributions should not be displayed as a separate component of net position on the statement of net position for proprietary funds. (GASB 2200.173)	2		
M6.	Designations of net position should not be reported on the face of the proprietary fund financial statements. (GASB 2200.173)	2		
Statement of Revenues, Expenses, and Changes in Fund Net Position/Equity				
N1.	The basic financial statements should include a statement of revenues, expenses, and changes in fund net position/equity for proprietary funds. (GASB 2200.105, .170; GAAFR, page 229)	1		
N2.	The proprietary operating statement should distinguish between operating and nonoperating revenues and expenses. (GASB 2200.190; GAAFR, page 235)	2		
N3.	Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally would not be reported as components of operating income on the proprietary fund statement of revenues, expenses, and changes in fund net position/equity. (GASB 2200.192, Comprehensive Implementation Guide, Question 7.73.1))	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
N4.	The statement of revenues, expenses, and changes in fund net position/equity should present a separate subtotal for *operating revenues, operating expenses, and operating income.* (GASB 2200.190-.191)	2		
N5.	Revenues should be reported by major source on the proprietary fund operating statement. (GASB 2200.190; GAAFR, page 236)	2		
N6.	The term "expenditures" should not be used in connection with proprietary fund types. (GASB 1800.101; GAAFR, page 100)	2		
N7.	Revenues from capital contributions and additions to the principal of permanent and term endowments, special and extraordinary items, and transfers should be reported separately, after nonoperating revenues and expenses. (GASB 2200.190)	2		
N8.	Capital assets of the general government reassigned to an enterprise fund would be shown on the government-wide statement of activities as a transfer between governmental activities and business-type activities. Such a transfer is not possible, however, at the fund level, because governmental funds did not report the capital assets being reassigned to begin with. Instead, the reassignment would be reflected at the fund level solely in the recipient enterprise fund, which would report a capital contribution. (GAAFR, page 52; Comprehensive Implementation Guide, Question 7.74.4)	3		
N9.	If capital assets of an enterprise fund are reassigned to the general government, there is nothing to report in the governmental funds. However, since capital contributions cannot, of their very nature, be negative, there is no option but to report the disposal of the capital asset by the enterprise fund as a nonoperating expense. In the statement of activities, the reassignment of the capital asset between governmental and business-type activities would be reported as a transfer, requiring a reconciling item in the governmental funds' reconciliation because a difference is created between the change in fund balances and the change in total net position. (Comprehensive Implementation Guide, Question 7.74.4; GAAFR, page 52)	3		
N10.	The Statement of Revenues, Expenses and Changes in Fund Net Position should provide a reconciliation of the beginning and ending net position that is directly related to the beginning and ending Statement of Net Position. (GASB 2200.191)	2		
N11.	For current refundings and advance refundings resulting in defeasance of debt reported by proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt should be deferred and amortized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. On the statement of net position, this deferred amount should be reported as a deduction from or an addition to the new debt liability. (GASB D20.111; GAAFR, pages 471-472)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
N12.	Just as governmental funds distinguish revenues from other financing sources, governmental funds also distinguish expenditures from other financing uses. The terminology "other financing sources/uses" is only appropriate for use in connection with governmental funds and should never be used in connection with proprietary funds. (GAAFR, page 155)	3		
Statement of Cash Flows - Proprietary Funds Types				
O1.	The basic financial statements should include a statement of cash flows for proprietary funds. (GASB 2200.105, .170; GAAFR, page 229)	1		
O2.	A statement of cash flows should classify cash receipts and cash payments as resulting from operating, noncapital financing, capital and related financing, or investing activities. (GASB 2450.112; GAAFR, page 238)	2		
O3.	The direct method of presenting cash flows should be used. (GASB 2200.195, 2450.128; GAAFR, page 211)	1		
O4.	Cash flows from operating activities reported using the direct method on the Statement of Cash Flows - Proprietary Funds should, at a minimum, separately report the following classes of operating cash receipts and payments (GASB 2450.128; GAAFR, page 238): a. Cash receipts from customers b. Cash receipts from interfund services provided 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 interfund services used, including payments in lieu of taxes that are payments for, and reasonably equivalent in value to, services provided g. Other operating cash payments, if any.	2		
O5.	A statement of cash flows should explain the change during the period in cash and cash equivalents regardless of whether there are restrictions on their use. (GASB 2450.105; GAAFR, page 241) *(Note to reviewer: GAAFR, page 237 states that "financial statement preparers have no flexibility in how they define cash (cash held in a restricted account must be included). They are free to set a narrower definition of a cash equivalent (for example, they may exclude otherwise qualifying items held in a restricted account)." See also Comprehensive Implementation Guide, Question 2.12.2)*	2		
O6.	The statement should use a descriptive term such as "cash" or "cash and cash equivalents" rather than the term "funds." (GASB 2450.105)	2		
O7.	The total amounts of cash and cash equivalents at the beginning and end of the period shown in the Statement of Cash Flows - Proprietary Funds, should be easily traceable to similarly titled line items or subtotals shown in the statements of financial position as of those dates. (GASB 2450.105; GAAFR, page 241)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
O8.	Cash flows from operating activities on the Combined Statement of Cash Flows - Proprietary Funds should include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities. Cash flows from operating activities generally are the cash effects of transactions and other events that enter into the determination of operating income. (GASB 2450.113; GAAFR, page 238)	2		
O9.	Cash inflows from operating activities include (GASB 2450.114): 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. b. Cash receipts from interfund services provided. c. Cash receipts from grants for specific activities that are considered to be operating activities of the grantor government. (A grant arrangement of this type is essentially the same as a contract for services.) d. Cash receipts from interfund reimbursements. e. All other cash receipts that do not result from transactions defined as capital and related financing, noncapital financing, or investing activities.	2		
O10.	Cash outflows from operating activities include (GASB 2450.115): a. 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. b. Cash payments to other suppliers for other goods or services c. Cash payments to employees for services. d. Cash payments for grants to other governments or organizations for specific activities that are considered to be operating activities of the grantor government. e. Cash payments for taxes, duties, fines, and other fees or penalties. f. Cash payments for interfund services used, including payments in lieu of taxes that are payments for, and reasonably equivalent in value to, services provided. g. All other cash payments that do not result from transactions defined as capital and related financing, noncapital financing, or investing activities.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
O11.	Cash flows from operating activities include transactions of certain loan programs. Even though loan activities are usually classified as investing activities, certain loan programs are not intended to be investments, but are undertaken instead to fulfill a governmental responsibility. These "program loans" are made and collected as part of a governmental program, for example low-income housing mortgages. All loans made and collected (including interest) should be considered operating cash outflows and inflows, respectively. Any proceeds from bonds issued to finance the loan program and subsequent debt service payments (principal and interest) should be classified as noncapital financing activities. (GASB 2450.116; GAAFR, page 238)	2		
O12.	The borrowing of money for purposes other than to acquire, construct, or improve capital assets and the repayment of amounts borrowed, including interest, should be reported as noncapital financing activities on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.117-.119; GAAFR, pages 238-239)	2		
O13.	Cash receipts of grants or subsidies, except for those restricted for capital purposes or operating activities of the grantor government, should be reported as noncapital financing activities on the Statement of Cash Flows - Proprietary Funds. Cash paid as grants or subsidies to other governments or organizations, except for those considered to be operating activities of the grantor government, should be reported as noncapital financing activities. (GASB 2450.118 - .119; GAAFR, pages 238-239)	2		
O14.	Cash received from other funds, except (1) those amounts that are clearly attributable to acquisition, construction, or improvement of capital assets; (2) interfund services provided; and (3) interfund reimbursements, should be reported as cash inflows from noncapital financing activities on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.118; GAAFR, pages 238-239)	2		
O15.	Cash inflows from noncapital financing activities should include cash received from property and other taxes collected for the governmental enterprise and not specifically restricted for capital purposes. (GASB 2450.118; GAAFR, pages 238-239)	2		
O16.	Cash paid to other funds, except for interfund services used, should be reported as cash outflows for noncapital financing activities on the Combined Statement of Cash Flows - Proprietary Funds. (GASB 2450.119; GAAFR, pages 238-239)	2		
O17.	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 should be reported as a cash inflow from capital and related financing activities on the Combined Statement of Cash Flows - Proprietary Funds. (GASB 2450.120-.121; GAAFR, page 239)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
O18.	Receipts from capital grants; contributions to defray the cost of acquiring, constructing, or improving capital assets; receipts from capital asset sales; insurance proceeds from stolen or destroyed capital assets; and receipts from special assessments, property, and other taxes levied to finance the construction, acquisition, or improvement of capital assets should be reported as cash inflows from capital and related financing activities on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.120-.121; GAAFR, page 239)	2		
O19.	Payments, repayments or refundings of amounts borrowed, principal payments to vendors who have extended credit, and cash payments to lenders and other creditors for interest specifically to acquire, construct or improve capital assets should be reported as a cash outflow for capital and related financing activities on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.120,.122; GAAFR, page 239)	2		
O20.	Receipts from collections of loans (except program loans) and sales of other entities' debt instruments (other than cash equivalents); receipts from sales of equity instruments and returns of investment in those instruments; interest and dividends received as returns on loans (except program loans), debt instruments of other entities, equity securities, and cash management or investment pools; and withdrawals from investment pools that are not being used as demand accounts should be reported as cash inflows from investing activities on the Combined Statement of Cash Flows - Proprietary Funds. (GASB 2450.124; GAAFR, page 239)	2		
O21.	Disbursements for loans (except program loans) made by the governmental enterprise and payments to acquire debt instruments of other entities (other than cash equivalents); payments to acquire equity instruments; and deposits into investment pools not being used as a demand account should be reported as cash outflows for investing activities on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.125; GAAFR, page 239)	2		
O22.	Debt that is not clearly attributable to capital construction, acquisition, or improvement should be considered noncapital debt, and the debt proceeds and subsequent payments of principal and interest should be classified as noncapital financing activities on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.126; GAAFR, pages 238-239)	2		
O23.	Principal and interest payments on debt that was issued to acquire, construct, or improve capital assets that have been sold or otherwise disposed of should remain classified as capital and related financing activities on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.126)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
O24.	The portion of a fee (tap fee, system development fee, connection fee) that is received to defray the operating costs associated with connecting a customer with a utility system and that is reported in operating income should be presented in the operating activities category of the Statement of Cash Flows – Proprietary Funds. Any portion of the fee that is to be used for the specific purpose of defraying the cost of acquiring, constructing, or improving capital assets should be presented in the capital and related financing activities category. (Comprehensive Implementation Guide, Question 2.24.4)	3		
O25.	A transaction that meets the criteria of GASB S20.103 whereby the receivables are considered to have been sold should report the cash flows from that sale on the Statement of Cash Flows – Proprietary Funds as cash flows from operations. If those criteria are not met, the transaction is considered to be a borrowing, and the cash flows would be classified in the noncapital or capital and related financing category, depending on the nature of the receivables. (Comprehensive Implementation Guide, Question 2.23.2)	3		
O26.	In a defeasance of debt, the proceeds of a refunding debt issue used to refund capital debt should be reported as a cash inflow in the capital and related financing category on the Statement of Cash Flows - Proprietary Funds. The payment to defease the existing capital debt should be reported as an outflow in that category. Similarly, subsequent principal and interest payments on the refunding debt should also be reported as cash outflows in the capital category. If the refunding issue is in excess of the amount needed to refund the existing capital debt, the total proceeds and the subsequent principal and interest payments should be allocated between the capital category and the noncapital financing category based on the amounts used for capital and noncapital purposes. (GASB 2450.126)	2		
O27.	The Statement of Cash Flows - Proprietary Funds should 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 2450.127)	2		
O28.	A negative cash balance should be assumed to be zero. The increase to zero in the cash balance should be incorporated into the statement of cash flows by reporting an inflow in the noncapital financing activities category. (Comprehensive Implementation Guide, Question 2.11.3)	3		
O29.	Governmental enterprises should also provide - in an accompanying schedule or on the face of the statement - a reconciliation of operating income to operating cash flows on the Statement of Cash Flows - Proprietary Funds. (GASB 2450.129; GAAFR, page 241)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
O30.	Information about all investing, capital, and financing activities that affect recognized assets or liabilities but do not result in cash receipts or cash payments in the period should be reported in a separate schedule on the Statement of Cash Flows - Proprietary Funds which clearly describes the cash and noncash aspects of transactions involving similar items. Examples of noncash transactions are acquiring assets by assuming directly related liabilities, such as purchasing a building by incurring a mortgage to the seller; obtaining an asset by entering into a capital lease; and exchanging noncash assets or liabilities for other noncash assets or liabilities. (GASB 2450.132; GAAFR, page 241)	2		
O31.	The net appreciation/depreciation in the value of investments reported at fair value (but *not* classified as cash equivalents) is a noncash transaction that requires disclosure in a schedule to the Statement of Cash Flows – Proprietary Funds. (GAAFR, page 241)	3		
032.	Cash contributed by developers and other individuals specifically to defray the cost of acquiring, constructing, or improving capital assets should be presented in the capital and related financing activities category of the Statement of Cash Flows – Proprietary Funds. Noncash transactions (such as the contribution of water and sewer lines by a developer) should be disclosed in a schedule to the Statement of Cash Flows – Proprietary Funds. (Comprehensive Implementation Guide, Question 2.24.3)	3		
Fiduciary Fund Financial Statements *(Note to reviewer: The requirements for pension trust funds apply to defined contribution plans. (Comprehensive Implementation Guide, Question 5.38.2))*				
P1.	Fiduciary statements should only include the activity of pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. Expendable and nonexpendable trust funds are required to be reclassified as special revenue and permanent funds and are therefore not reported in the fiduciary fund financial statements (unemployment compensation plans are enterprise funds). (GASB 1300.102; GASBS 34, paragraph 395)	1		
P2.	Fiduciary fund statement should be presented using the economic resources measurement focus and the accrual basis of accounting. (GASB 1300.102 and 1600.138; GAAFR, page 101)	1		
P3.	Fiduciary fund statements should only include those funds that report resources held by a governmental unit in a trustee or agent capacity for others. (GASB 1300.102; GAAFR, pages 46 and 251)	2		
P4.	The fiduciary fund statements should provide a separate column for each fund type - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts, and agency funds. (GASB 2200.196; GAAFR, page 261)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
P5.	All component units that are fiduciary in nature should *not* be shown in a separate column, but combined with their appropriate fiduciary fund type. (GASB 2200.196, .214, Comprehensive Implementation Guide, Question 7.77.4; GAAFR, page 262)	2		
P6.	A governmental entity that sponsors one or more external investment pools (sponsoring government) should report the external portion of each pool as a separate investment trust fund (a fiduciary fund) that reports transactions and balances using the economic resources measurement focus and the accrual basis of accounting. (GASB I50.117; GAAFR, page 47) *(Note to reviewer: GASB I50.117 states that the external portion of an external investment pool is the portion that belongs to legally separate entities that are not part of the sponsoring government's financial reporting entity.)*	2		
P7.	Any deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 should be reported as a pension trust fund in the fiduciary fund financial statements if the assets are held by the government in a fiduciary capacity. (GASB D25.101; GAAFR, pages 46-47)	2		
Statement of Fiduciary Net Position				
Q1.	The basic financial statements should include a statement of fiduciary net position. (GASB 2200.105, .196; GAAFR, page 261)	1		
Q2.	The statement of fiduciary net position should include information about the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for each fiduciary fund type. (GASB 2200.197)	2		
Q3.	Assets for pension and other postemployment benefit trust funds should be subdivided into major categories (such as cash and cash equivalents, receivables, investments, assets used in operations) on the statement of fiduciary net position. (GASB Pe5.113; Po50.115, GAAFR, pages 262 and 644)	2		
Q4.	For pension and other postemployment benefit trust funds, investments and receivables should be subdivided into their major components on the statement of fiduciary net position. (GASB Pe5.113; Po50.115 GAAFR, pages 262 and 644)	2		
Q5.	If only agency funds are presented, the title of the statement should be "Statement of Fiduciary Assets and Liabilities" since agency funds do not have net position. (GASB 1300.114, 2200.922a)	2		
Q6.	The fiduciary fund statement of position must employ the net position format. (GASB 2200.197, .919; GAAFR, page 262)	2		
Q7.	If a pension trust fund is reported, the difference between total plan assets, deferred outflows of resources, total plan liabilities, and deferred inflows of resources at the reporting date should be captioned *net position - restricted for pension benefits.* (GASB Pe5.119; GAAFR, pages 263 and 645)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Q8.	If an other postemployment benefit trust fund is reported, the difference between total plan assets, deferred outflows of resources, total plan liabilities, and deferred inflows of resources at the reporting date should be captioned *net position - restricted for OPEB.* (GASB Po50.121; GAAFR, pages 263 and 645)	2		
Q9.	The difference between the external investment pool assets, deferred outflows of resources, liabilities, and deferred inflows of resources should be captioned *net position – amounts held in trust for pool participants* on the statement of fiduciary net position. (GASB I50.117; GAAFR, page 263)	2		
Q10.	The statement of fiduciary net position should not report the actuarially determined funded status of pension trust funds. (GASB Pe5.111; GAAFR, pages 263 and 644)	2		
Q11.	Assets should equal liabilities in agency funds. (GASB 2200.199; GAAFR, page 252)	2		
Statement of Changes in Fiduciary Net Position				
R1.	The basic financial statements should include a statement of changes in fiduciary net position. (GASB 2200.105, .196; GAAFR, page 261)	1		
R2.	The statement of changes in fiduciary net position should be divided into two sections: additions and deductions. (GASB 2200.198; GAAFR, pages 264 and 645)	2		
R3.	Agency funds should not be reported in the statement of changes in fiduciary net position. (GASB 2200.199; GAAFR, page 263)	2		
R4.	Additions for pension and other postemployment benefit trust funds should be classified into the following categories, as appropriate: *employer contributions, plan member contributions, other contributions,* and *net investment income.* (GASB Pe5.121, Po50.123; GAAFR, pages 264 and 645)	2		
R5.	Investment expense should be separately displayed in the *net investment income* addition category on the statement of changes in fiduciary net position. (GASB Pe5.121, Po50.123; GAAFR, pages 264 and 645) *(Note to reviewer: GASB Pe5.121, Footnote 11 states that plans are not required to include in the reported amount of investment expense those investment-related costs that are not readily separable from (a) investment income (the income is reported net of related expenses) or (b) the general administrative expenses of the plan.)*	2		
R6.	Deductions for pension and other postemployment benefit trust funds should include separate amounts for 1) benefits and refunds paid to plan members and beneficiaries, and 2) total administrative expenses. (GASB Pe5.122, Po50.124; GAAFR, page 645)	2		
Notes to Financial Statements				
S1.	The basic financial statements should include Notes to the Financial Statements. (GASB 2200.105, 2300.101; GAAFR, pages 323 and 345)	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S2.	Because the notes are an integral part of the financial statements, they should distinguish between information pertaining to the primary government (including its blended component units) and that of its discretely presented component units. (GASB 2300.104; GAAFR, page 324 and 346)	2		
S3.	The Notes to the Financial Statements should be incorporated into the financial section as an integral part of the basic financial statements. (GASB 2300.102)	2		
Summary of Significant Accounting Policies *****				
S4.	The Notes to the Financial Statements should include a brief description of the component units of the financial reporting entity and their relationships to the primary government. (GASB 2300.106(a)(2) and 2600.121; GAAFR, page 324)	2		
S5.	The Notes to the Financial Statements should include a discussion of the rationale for including each component unit in the financial reporting entity and whether it is discretely presented, blended, or included in the fiduciary fund financial statements. Component units may be disclosed together if they have common characteristics as long as each component unit is separately identified. (GASB 2300.106(a)(2) and 2600.121; GAAFR, page 324) *(Note to reviewer: GASB Statement 14, paragraph 61, states that "the notes to the reporting entity's financial statements should include a brief description of the component units of the financial reporting entity and their relationships to the primary government". According to the basis for conclusions to Statement 14, "... the Board concluded that the notes to the financial statements should contain a brief discussion of the reporting entity, including how the component units are included and why". In the absence of component units, consideration should be given to disclosing in the summary of significant accounting policies that the reporting entity consists of the primary government, the City of X/Y County.)*	2 - 3		
S6.	The Notes to the Financial Statements should include information about how the separate financial statements for individual component units may be obtained. (GASB 2300.106(a)(2), 2600.121; GAAFR, page 325)	2		
S7.	The fiscal year of the component units included in the reporting entity should be consistent from year to year, and changes in fiscal years should be disclosed. (GASB 2600.120)	2		
S8.	If transactions between component units that have different fiscal years result in inconsistencies in amounts reported as due to or due from, and so forth, the nature and amount of those transactions should be disclosed in the Notes to the Financial Statements. (GASB 2600.120, 2300.107; GAAFR, page 327)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S9.	If the entity is a component unit of another government, the notes to the financial statements should identify the primary government in whose financial reporting entity it is included and describe its relationship with the primary government. (GASB 2600.125)	2		
S10.	The Notes to the Financial Statements should disclose a description of the government-wide financial statements, noting that neither fiduciary funds nor component units that are fiduciary in nature are included. (GASB 2300.106(a)(1); Comprehensive Implementation Guide, Question 7.84.1; GAAFR, page 324)	2		
S11.	The Notes to the Financial Statements should include a description of the activities accounted for in each of the following columns – major funds, internal service funds, and fiduciary fund types – presented in the basic financial statements. It is recommended that the fund's classification by fund type also be disclosed if not otherwise discernible. (GASB 1300.125 and 2300.106(a)(3); GAAFR, pages 327-328) *(Note to reviewer: GASB 1300.125 states that with the exception of the general fund or its equivalent, the descriptions should be specific to the particular government, rather than general definitions that could describe any government. For example, activities of the road fund could be described as maintenance and preservation of local roads financed with local fuel taxes.)*	2 - 3		
S12.	Governments should disclose in the notes to the financial statements the purpose for each major special revenue fund – identifying which revenues and other resources are reported in each of those funds. (GASB 1300.105, 2300.107(oo); GAAFR, page 328)	2		
S13.	The Notes to the Financial Statements should state that the flow of economic resources measurement focus is used for government-wide financial statements. (GASB 2300.106(a)(4), 1600.103)	2		
S14.	The Notes to the Financial Statements should state that the government-wide financial statements are accounted for on the accrual basis. (GASB 2300.106(a)(4), 1600.103; GAAFR, page 329)	2		
S15.	The Notes to the Financial Statements should state that governmental funds employ the current financial resources measurement focus. (APB 22 paragraph 12; GASB 1300.102, 2300.901)	2		
S16.	The Notes to the Financial Statements should state that governmental funds are accounted for on the modified accrual basis. (APB 22 paragraph 12; GASB 1300.102, 2300.901; GAAFR, page 329)	2		
S17.	The Notes to the Financial Statements should state that proprietary funds and fiduciary funds employ the economic resources measurement focus. (APB 22 paragraph 12; GASB 1300.102, 2300.901)	2		
S18.	The Notes to the Financial Statements should state that proprietary funds and fiduciary funds are accounted for on the accrual basis. (APB 22 paragraph 12; GASB 1300.102, 2300.901; GAAFR, page 329)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S19.	The Notes to the Financial Statements should disclose the revenue recognition policies used in fund financial statements, including the length of time used to define *available* for purposes of revenue recognition in the governmental fund financial statements. (GASB 2300.106(a)(5), 1600.106; GAAFR, page 329)	2		
S20.	The Notes to the Financial Statements should disclose the *susceptible to accrual* criterion for major revenue sources. This disclosure should address the specific types of major revenue sources that meet this criterion. (GASB 1600.108)	2		
S21.	The Notes to the Financial Statements should disclose the significant encumbrances by major funds and nonmajor funds in the aggregate in conjunction with required disclosures about other significant commitments.. (GASB 1700.127(c); GAAFR, page 372)	2		
S22.	Encumbering amounts for specific purposes for which resources already have been restricted, committed, or assigned should not result in separate display of the encumbered amounts within those classifications. Encumbered amounts for specific purposes for which resources have not been previously restricted, committed, or assigned should not be classified as unassigned but, rather, should be included within committed or assigned fund balance, as appropriate. (GASB 1700.127; GAAFR, page 191)	2		
S23.	If cash flows reporting focuses on both *cash* and *cash equivalents*, the Notes to the Financial Statements should define cash equivalents. (GASB 2300.106(a)(11), 2450.108; GAAFR, page 331)	2		
S24.	Generally, only investments with original maturities of three months or less meet the definition of cash and cash equivalents. (GASB 2450.106; GAAFR, page 237)	2		
S25.	The Notes to the Financial Statements should describe the government's policy for eliminating internal activity in the government-wide statement of activities. (GASB 2300.106(a)(6); Comprehensive Implementation Guide, Question 7.84.2; GAAFR, page 329)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S26.	The Notes to the Financial Statements should disclose the accounting policy for capitalizing assets and for estimating the useful lives of those assets (used to calculate depreciation expense) and the method or methods used in computing deprecation with respect to major classes of depreciable assets. (GASB 2300.106(a)(8); Comprehensive Implementation Guide, Question 7.85.4; GAAFR, page 332) *(Note to reviewer: Phase 3 governments choosing not to retroactively report infrastructure should disclose that fact in the Notes to the Financial Statements. Comprehensive Implementation Guide, Question 7.85.5 states, "Phase 3 governments that do not elect to retroactively report infrastructure should include a statement in their summary of significant accounting policies on an ongoing basis such as "General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements," "General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003," or other language that indicates how infrastructure was capitalized.")*	2		
S27.	Capitalization policies may include (a) capitalization thresholds, (b) the methods used for estimating historical cost or fair value, and (c) the extent of infrastructure capitalization including (for phase 1 and phase 2 governments) whether infrastructure acquired prior to fiscal years ended after June 30, 1980, are reported and (for phase 3 governments) whether infrastructure acquired prior to implementation of Statement 34 are reported. (Comprehensive Implementation Guide, Question 7.85.4; GAAFR page 332)	3		
S28.	If the government has elected to use the modified approach for one or more networks or subsystems of infrastructure assets, the Notes to the Financial Statements should describe the modified approach. (GASB 2300.106(a)(8); GAAFR, page 332)	2		
S29.	The Notes to the Financial Statements should disclose the approach to expenditure recognition for prepaids in governmental funds (i.e., when purchased or during the benefiting period). (APB 22 paragraph 12; GAAFR, pages 149 and 323)	2		
S30.	The Notes to the Financial Statements should disclose the valuation basis for investments. (APB 22 paragraph 12; GAAFR, page 352)	2		
S31.	For the various classifications of inventory items, the basis upon which their amounts are stated and, where practicable, indication of the method of determining the cost, for example, average cost, FIFO, and LIFO, should be disclosed in the notes to the financial statements. (GASB 2300.106(a)(7), I40.114; GAAFR, page 331)			
S32.	The Notes to the Financial Statements should describe the types of transactions that are reported as program revenues on the statement of activities. (GASB 2300.106(a)(9); GAAFR, page 336)	2		
S33.	The Notes to the Financial Statements should disclose the government's policy for defining operating and nonoperating revenues and expenses in proprietary funds. (GASB 2200.192 and 2300.106(a)(10), P80.115; GAAFR, pages 235 and 337)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S34.	The Notes to the Financial Statements should disclose the policy for allocating indirect expenses to functions in the Statement of Activities. (GASB 2300.106a(9); GAAFR, page 336)	2		
S35.	The Notes to the Financial Statements should disclose the government's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. (GASB 2300.106(a)(12); Comprehensive Implementation Guide, Question 7.84.3; GAAFR, page 335)	2		
S36a.	Governments should disclose the following about their fund balance classification policies and procedures in the notes to the financial statements: (GASB 1800.183, 2300.106(a)(13); GAAFR, pages 335-336 and 380)	2		
S36b.	For *committed* fund balance: (1) the government's highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment	2		
S36c.	For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which that authorization is given	2		
S36d.	For the classification of fund balances: (1) whether the government considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and (2) whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used	2		
S37.	If nonspendable fund balance is displayed in the aggregate on the face of the balance sheet, amounts for the two nonspendable components should be disclosed in the notes to the financial statements. (GASB 1800.185; GAAFR, page 380) *(Note to reviewer: It is not necessary to separately classify the components using the Statement 54 descriptions as long as amounts for the two components are discernible. For example, rather than presenting "Resources not in spendable form," governments could instead label that amount as "Inventories and prepaid amounts." Comprehensive Implementation Guide Z.54.6)*	2		
S38.	If restricted, committed, or assigned fund balances are displayed in the aggregate, specific purposes information should be disclosed in the notes to the financial statements. (GASB 1800.185; GAAFR, page 380) *(Note to reviewer: Governments may display specific purpose details for some classifications on the face of the balance sheet and disclose the details for other classifications in the notes to the financial statements.)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S39a.	Governments that establish stabilization arrangements, even if an arrangement does not meet the criteria to be classified as restricted or committed, should disclose the following information in the notes to the financial statements: (GASB 1800.186; GAAFR, page 380) *(Note to reviewer: See Comprehensive Implementation Guide, Question Z.54.23 for description of the difference between a stabilization arrangement and a minimum fund balance policy.)*	2		
S39b.	The authority for establishing stabilization arrangements (for example, by statute or ordinance)	2		
S39c.	The requirements for additions to the stabilization amount	2		
S39d.	The conditions under which stabilization amounts may be spent	2		
S39e.	The stabilization balance, if not apparent on the face of the financial statements	2		
S40.	If a governing body has formally adopted a minimum fund balance policy (for example, in lieu of separately setting aside stabilization amounts), the government should describe in the notes to its financial statements the policy established by the government that sets forth the minimum amount. (GASB 1800.187, 2300.107(nn); GAAFR, page 380)	2		
S41.	Balances of deferred outflows of resources and deferred inflows of resources reported in a statement of net position or a governmental fund balance sheet may be aggregations of different types of deferred amounts. Governments should provide details of the different types of deferred amounts in the notes to the financial statements if significant components of the total deferred amounts are obscured by aggregation. Disclosure in the notes to the financial statements is required only if the information is not displayed on the face of the financial statements. (GASB 2300.107(eee), .130; GAAFR, pages 368 and 380)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S42.	In some situations, the amount reported for a component of net position (net investment in capital assets, restricted, and unrestricted) may be significantly affected by a transaction that has resulted in recognition of a deferred outflow of resources or deferred inflow of resources. If the difference between a deferred outflow of resources or deferred inflow of resources and the balance of the related asset or liability is significant, governments should provide an explanation of that effect on its net position in the notes to the financial statements. (GASB 2300.131; GAAFR, page 368 and 380) *(GASBS 63, ¶36 elaborates "For example, the balance of a deferred inflow of resources from an up-front payment in a service concession arrangement may significantly exceed any unspent cash from that payment – especially after the first years of the arrangement. In that circumstance, disclosure of the effects of the deferral amount would be required. Conversely, if there is not a significant difference between the deferred outflow of resources or deferred inflow of resources and the balance of the related assets or liabilities, no disclosure is required. For example, deferred outflows of resources of deferred inflows of resources related to a hedging derivative instrument will often be the same amount as the reported fair value of the derivative instrument itself. In this situation, there would be no significant effect on net position to disclose. Based on the provisions of Concepts Statement No. 3, Communication Methods in General Purpose External Financial Resources That Contain Basic Financial Statements, the Board believes that an explanation of a significant effect on net position constitutes 'more detail about or explanations of amounts recognized in financial statements' and, therefore, would be an appropriate disclosure in the notes to financial statements."*	2		
S43.	If the government presents required budgetary comparisons as a basic financial statement, the Notes to the Financial Statements should disclose the budgetary basis of accounting (e.g., GAAP, GAAP plus encumbrances). (GASB 2400.103, 2400, Footnote 5)	2		
S44.	If the government presents required budgetary comparisons as a basic financial statement, the Notes to the Financial Statements should disclose excesses of expenditures over appropriations in the general fund and annually budgeted major special revenue funds. (GASB 2400.103 and 2400, Footnote 5; GAAFR, pages 330-331; Comprehensive Implementation Guide, Question 7.93.1)	2		
S45.	"Legal level of control" means the lowest level of budgetary detail at which a local government's management or budget officer may not reassign resources without approval of the governing authority. The legal level of control shall be, at a minimum, expenditures for each department for each fund for which a budget is required. This does not preclude the governing authority of a local government from establishing a legal level of control at a more detailed level of budgetary control than the minimum required legal level of control. (OCGA 36-81-2(14))	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S46.	The Notes to the Financial Statements should disclose material violations of finance-related legal and contractual provisions and actions taken to address such violations. (GASB 1200.112, 2300.106(h), 2400.104; GAAFR, page 347; Comprehensive Implementation Guide, Question 7.93.1) *(Note to reviewer: According to the Comprehensive Implementation Guide's question 7.93.1, disclosure of the excess of expenditures over appropriations is required for any fund, including nonmajor special revenue funds, capital projects funds, or debt service funds, if the overexpenditure constitutes a significant violation of finance-related legal and contractual provisions.)*	2		
S47.	The Notes to the Financial Statements should disclose deficit fund balances or net position of individual nonmajor funds. (GASB 2300.106(n); GAAFR, page 348) *(Note to Reviewer: If there is only one nonmajor fund of a given fund type, this requirement is effectively met by presentation on the basic financial statements.)*	2		
Assets *******				
S48.	The Notes to the Financial Statements should briefly describe the deposit policies that are related to custodial credit risk and foreign currency risk (if exposed). If a government has no custodial credit risk policy, the disclosure should indicate that fact. (GASB C20.109; GAAFR, page 350)	2		
S49.	If the government is exposed to custodial credit risk for its deposits at year end because they are uninsured and (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution or (c) collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name, the Notes to the Financial Statements should disclose the amount of the bank balances exposed to custodial credit risk, indicate that the balances are uninsured, and explain whether the falances are exposed on the basis of either a, b, or c above. (GASB C20.107; GAAFR, page 350)	2		
S50.	The Notes to the Financial Statements should disclose separately the amount of deposits that are uncollateralized and the amount of deposits that are collateralized with securities held by the pledging financial institution or that are collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name. (Comprehensive Implementation Guide, Question 1.28.6)	3		
S51.	OCGA 45-8-12(c) requires public funds to be insured or collateralized at 110%.	X		
S52.	If a government's deposits are exposed to foreign currency risk, the government should disclose the U.S. dollar balances of such deposits, organized by currency denomination. (GASB C20.108; GAAFR page 350)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S53.	Negotiable CDs are securities that normally are sold in $1 million units and can be traded in a secondary market and should be treated as investments. Nonnegotiable CDS are time deposits that are placed by depositors directly with financial institutions and that generally are subject to a penalty if redeemed before maturity and should be treated as deposits. (Comprehensive Implementation Guide, Question 1.39.1)	3		
S54.	The Notes to the Financial Statements should disclose the investment policies concerning credit risk (including custodial credit risk), concentration risk, interest rate risk, and foreign currency risk when it is exposed to such risks. If a government does not have a policy that addresses one of these risks to which it is currently exposed, the disclosure should indicate that fact. (GASB I50.136; Comprehensive Implementation Guide, Questions 1.5.1 through 1.5.5; GAAFR, page 353) *(Note to reviewer: GAAFR, page 353 states that "for purposes of this disclosure, the term "policy" encompasses only limitations imposed either by the governing body or by contract. It does not embrace managerial policies or simple past practice".)*	2		
S55.	The Notes to the Financial Statements should briefly describe the types of investments authorized by legal or contractual provisions. (GASB I50.134; Comprehensive Implementation Guide, Questions 1.6.1, 1.7.1 and 1.7.2; GAAFR, page 353) *(Note to Reviewer: OCGA 36-83-4 identifies authorized investments for local governments. In addition, OCGA 36-82-7 identifies authorized investments for bond proceeds and OCGA 47-20-83 and 84 identifies authorized investments of local government retirement system assets.)* *(Note to Reviewer: Comprehensive Implementation Guide, Question 1.7.2 notes that the government is required to disclose authorized investment types and states that "one of the objectives of the Statement 3 disclosures is to inform financial statement users about potential future risk. Information about the government's* ***ability*** *to invest in the instrument is important to a user's evaluation of potential future risk".*	2		
S56.	The Notes to the Financial Statements should disclose differences 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 compared with the reporting entity's investment activity. (GASB I50.134; Comprehensive Implementation Guide, Question 1.7.3)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S57.	The following investment disclosures should be made in the Notes to the Financial Statements (GASB I50.129; GAAFR, pages 352 and 354): 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 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 g. if an entity elects to report realized gains and losses, disclose: 1. the calculation of realized gains and losses is independent of a calculation of the net change in the fair value of investments 2. 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	2		
S58.	If a government is exposed to custodial credit risk for its investments evidenced by securities at year end because they are neither insured nor registered in the government's name and they are held by either 1) the counterparty, or 2) the counterparty's trust department or agent but not in the government's name, the Notes to the Financial Statements should disclose the investments' type, the reported amount, and how the investments are held. (GASB I50.138; GAAFR, pages 354-355)	2		
S59.	The Notes to the Financial Statements should disclose the credit quality ratings of investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities as described by nationally recognized statistical rating organizations as of the date of their financial statements. If a credit quality disclosure is required and the investment is unrated, the disclosure should indicate that fact. (GASB I50.137; GAAFR page 353-354)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S60.	The Notes to the Financial Statements should use one of the five approved methods (i.e., segmented time distribution, specific identification, weighted average maturity, duration, or simulation model) to disclose interest rate risk for positions in fixed-rate debt securities. Governments should also disclose the terms of investments with fair values that are highly sensitive to changes in interest rates. (GASB I50.141; GAAFR, pages 358-359)	2		
S61.	The Notes to the Financial Statements should disclose details of the property tax calendar, including lien dates, levy dates, due dates, and collection dates. (GASB P70.108; GAAFR, pages 336-337)	2		
S62.	Governments should provide details in the notes to the financial statements when significant components of receivables have been obscured by aggregation. Balances of receivables may also have different liquidity characteristics. Significant receivable balances not expected to be collected within one year of the date of the financial statements should be disclosed. (GASB 2300.107(ee), .125; GAAFR page 366)	2		
S63.	The capital asset disclosure in the Notes to the Financial Statements should provide information separately for each major class of capital assets (such as land, buildings, equipment, and infrastructure). Also, a clear distinction should be made between capital assets associated with business-type activities and governmental-type activities. Nondepreciable capital assets (such as land, art collections, and infrastructure using the modified approach) should be reported separately from depreciable assets. (GASB 2300.117; GAAFR, page 366)	2		
S64.	Information about major classes of capital assets should be disclosed in the Notes to the Financial Statements. This disclosure should include the following (GASB 2300.118; GAAFR, page 366): a. Beginning- and end-of-year balances (regardless of whether beginning-of-year balances are presented on the face of the government-wide financial statements), with accumulated depreciation presented separately from historical cost. b. Capital acquisitions c. Sales or other dispositions d. Current-period depreciation expense, with disclosure of the amounts charged to each of the functions in the statement of activities.	2		
Liabilities ******				
S65.	Governments should provide details in the notes to the financial statements when significant components of payables have been obscured by aggregation. Balances of receivables may also have different liquidity characteristics. Significant receivable balances not expected to be collected within one year of the date of the financial statements should be disclosed. (GASB 2300.107(ee), .125; GAAFR page 368)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S66.	The Notes to the Financial Statements should disclose debt service requirements to maturity, presenting principal and interest 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. (GASB 1500.129(a); 2300.106(i); Comprehensive Implementation Guide, Question 7.85.7; GAAFR, page 376)	2		
S67.	The terms by which interest rates change for variable-rate debt should be disclosed in the Notes to the Financial Statements. (GASB 1500.129(b); GAAFR, page 376)	2		
S68.	The Notes to the Financial Statements should provide a brief description of each individual bond issue and capital lease outstanding as of the end of the reporting period. (GAAFR, page 375)	3		
S69.	The long-term debt disclosure in the Notes to the Financial Statements should provide information separately for each major class of long-term liabilities. Also, a clear distinction should be made between long-term liabilities associated with business-type activities and governmental-type activities. (GASB 2300.117; GAAFR, page 375)	2		
S70.	The Notes to the Financial Statements should disclose any amount of interest included in the direct expenses in the government-wide statement of activities. (GASB 2200.134, 2300.107(aa); GAAFR, page 381) *(Note to reviewer: GASB 2200.134 states that interest on general long-term obligations generally should be considered an indirect expense. However, interest on long-term debt should be included in direct expenses in those limited instances when borrowing is essential to the creation or continuing existence of a program.)*	2		
S71.	The following information with respect to interest cost should be disclosed in the notes to the financial statements (GASB 1400.137; GAAFR, page 366): a. For an accounting period in which no interest cost is capitalized, the amount of interest cost incurred and charged to expense during the period b. For an accounting period in which some interest cost is capitalized, the total amount of interest cost incurred during the period and the amount thereof that has been capitalized. *(Note to reviewer: GASB Statement No. 62, paragraph 553 notes that GASB Statement No. 37 provides that construction-period interest on assets used in the governmental activities should not be capitalized.)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S72.	The following information with respect to capital leases should be disclosed in the notes to the lessee's financial statements (GASB L20.127 and .128; GAAFR, page 374): a. The future minimum payments for each of the five subsequent fiscal years and in five-year increments thereafter b. The gross amount of assets recorded under capital leases as of the date of each set of financial statements presented by major classes according to nature or function. This information may be combined with the comparable information for owned assets. c. The total of minimum sublease rentals to be received in the future under noncancelable subleases as of the date of the latest financial statements presented d. Total contingent rentals actually incurred for each period for which a flows statement is presented. e. Assets recorded under capital leases and the accumulated amortization thereon. Unless the expense resulting from amortization of assets recorded under capital leases is included with depreciation expense and the fact that it is so included is disclosed, the amortization expense should be disclosed in the notes to the financial statements. f. A general description of the lessee's leasing arrangements including, but not limited to, the following: 1. The basis on which contingent rental payments are determined 2. The existence and terms of renewal or purchase options and escalation clauses 3. Restrictions imposed by lease agreements, such as those concerning additional debt and further leasing.	2		
S73.	The Notes to the Financial Statements should disclose changes in long-term liabilities. This disclosure should include (GASB 2300.120; Comprehensive Implementation Guide, Question 7.85.6; GAAFR, pages 375-376): a. Beginning- and end-of-year balances (regardless of whether prior-year data are presented on the face of the government-wide financial statements) b. Increases and decreases (separately presented) c. The portions of each item that are due within one year of the statement date d. Which governmental funds typically have been used to liquidate other long-term liabilities (such as compensated absences and pension liabilities) in prior years	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S74.	The Notes to the Financial Statements should disclose details of short-term debt activity during the year, even if no short-term debt is outstanding at year end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The details should include (GASB 2300.124; GAAFR, page 374): a. A schedule of changes in short-term debt, disclosing beginning- and end-of-year balances, increases, and decreases b. The purpose for which the short-term debt was issued.	2		
S75.	The governing authority of any county, municipality, or other political subdivision of this state may incur debt by obtaining temporary loans in each year to pay expenses. Such loans shall be payable on or before December 31 of the calendar year in which such loan is made. (OCGA Art. 9, Sec. 5, Para. 5)	X		
S76.	The following information with respect to noncancelable operating leases should be disclosed in the notes to the lessee's financial statements (GASB L20.127 and .128; GAAFR, page 374): a. The future minimum payments for each of the five subsequent fiscal years and in five-year increments thereafter b. For operating leases having initial or remaining noncancelable lease terms in excess of one year, the total of minimum rentals to be received in the future under noncancelable subleases as of the date of the latest financial statements presented. c. For all operating leases, rental expense/expenditure for each period for which a flows statement is presented, with separate amounts for minimum rentals, contingent rentals, and sublease rentals. Rental payments under leases with terms of a month or less that were not renewed need not be included. d. A general description of the lessee's leasing arrangements including, but not limited to, the following: 1. The basis on which contingent rental payments are determined 2. The existence and terms of renewal or purchase options and escalation clauses 3. Restrictions imposed by lease agreements, such as those concerning additional debt and further leasing.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S77.	The Notes to the Financial Statements should disclose a general description of the demand bond program; 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; and a description of the take out agreement including its expiration date, commitment fees to obtain that agreement, and the terms of any new obligation under that take out agreement. The notes should also disclose the debt service requirements to maturity that would result if the take out agreement were to be exercised. (GASB D30.111; GAAFR, page 378) *(Note to Reviewer: If the government reports demand bonds, the reviewer should consult GASB D30, especially sections .101 to .106 for explanation of terms used in the above requirement.)*	2		
S78.	The Notes to the Financial Statements should disclose, in all periods following an advance refunding for which debt defeased *in substance* remains outstanding, the amount of that debt, if any, outstanding at period-end. (GASB D20.117; GAAFR, page 378)	2		
S79.	If the entity defeased debt through an advanced or current refunding, a general description of the transaction should be provided in the Notes to the Financial Statements in the year of the refunding. At a minimum, the disclosures should include (a) the difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding and (b) the economic gain or loss resulting from the transaction. (GASB D20.114, D20.118; GAAFR, page 377)	2		
S80.	The Notes to the Financial Statements should disclose the nature of the obligation, if any, for special assessment debt. This includes a description of any guarantee, reserve, or sinking fund established to cover defaults by property owners. The notes should disclose the amount of delinquent special assessment receivables (if not discernible on the face of the financial statements). Also, all other disclosures ordinarily required in connection with long-term debt should be given for special assessment debt. If there is no obligation for special assessment debt, the Notes to the Financial Statements should disclose the amount of debt outstanding and the fact that the government is acting in an agent capacity for the property owners. (GASB S40.126 - .127; GAAFR, page 377)	2		
S81.	The Notes to the Financial Statements should disclose bond, tax, or revenue anticipation notes excluded from fund or current liabilities (proprietary funds). (GASB 2300.107(o))	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S82.	Governments should disclose in the Notes to the Financial Statements the following details about interfund transfers reported in the fund financial statements (GASB 2300.127; GAAFR, page 384): a. Amounts transferred from other funds by individual major fund, nonmajor governmental funds in the aggregate, nonmajor enterprise funds in the aggregate, internal service funds in the aggregate, and fiduciary fund type b. A general description of the principal purposes of the government's interfund transfers c. The intended purpose and the amount of significant transfers that meet either or both of the following criteria: (1) Do not occur on a routine basis—for example, a transfer to a wastewater enterprise fund for the local match of a federal pollution control grant (2) Are inconsistent with the activities of the fund making the transfer—for example, a transfer from a capital projects fund to the general fund.	2		
S83.	If the government is a recipient of an endowment, the Notes to the Financial Statements should disclose the following (GASB 2300.123; GAAFR, page 383): a. Amounts of net appreciation on investments that are available for expenditure b. Explanations about how available amounts are reflected in net position c. The state law governing the ability to spend net appreciation d. The policy for authorizing and spending investment income.	2		
S84.	The Notes to the Financial Statements should include the following disclosures relating to conduit debt obligations (GASB C65.102; GAAFR, page 379): 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. *(Note to Reviewer: The term "conduit debt obligations" refers to certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local government entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued. See GASB C65.101)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S85.	Governments should disclose in the Notes to the Financial Statements the following details about interfund balances reported in the fund financial statements (GASB 2300.126; GAAFR, page 381): a. Amounts due from other funds by individual major fund, nonmajor governmental funds in the aggregate, nonmajor enterprise funds in the aggregate, internal service funds in the aggregate, and fiduciary fund type b. The purpose for interfund balances c. Interfund balances that are not expected to be repaid within one year from the date of the financial statements.	2		
S86.	If interfund loan repayment is not expected within a reasonable time, the interfund balances should be reduced and the amount that is not expected to be repaid should be reported as a transfer from the fund that made the loan to the fund that received the loan. (GASB 1800.102; GAAFR, page 50; Comprehensive Implementation Guide, Question 7.82.1)	2		
Defined Benefit Pension Plans ****** *(Note to reviewer: This information is required for all defined benefit pension plans. This would include GMEBS and ACCG defined benefit plans)*				
S87.	A positive (negative) year-end balance in the NPO should be recognized as the year-end liability (asset) in relation to the ARC. (GASB P20.115; GAAFR, page 400)	2		
S88a.	Employers should include the following information in the Notes to the Financial Statements for each defined benefit pension plan in which they participate, regardless of the type of the plan (GASB P20.117; GAAFR, page 369): *(Note to reviewer: See GASB Pe5.124 for note disclosure requirements for entities issuing stand-alone financial reports for their pension plan)*	2		
S88b.	Name of the plan	2		
S88c.	Identification of the public employee retirement system or other entity that administers the plan	2		
S88d.	Identification of the plan as a single-employer, agent multiple-employer, or cost-sharing multiple employer defined benefit pension plan	2		
S88e.	Brief description of the types of benefits and the authority under which benefit provisions are established or may be amended	2		
S88f.	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	2		
S88g.	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		
S88h.	Required contribution rate(s) of active plan members	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S88i.	Required contribution rate(s) of the employer in accordance with the funding policy, in dollars or as a percentage of current-year covered payroll and, if applicable, legal or contractual maximum contribution rates. If the plan is a single-employer or agent plan and the rate differs significantly from the annual required contribution, disclosure should include how the rate is determined (for example, by statute or contract, or the plan is financed on a pay-as-you-go basis)	2		
S88j.	If the plan is a cost-sharing plan, disclosure should include the required contributions in dollars, the percentage of that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined (for example, by statute or contract, or on an actuarially determined basis) or that the plan is financed on a pay-as-you-go basis	2		
S89a.	Sole and agent employers should disclose the following information for each defined benefit pension plan (GASB P20.118; GAAFR, pages 369-371):	2		
S89b.	For the current year, annual pension cost and the dollar amount of contributions made. If there is a net pension obligation, also disclose 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.	2		
S89c.	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. For the first two years, the required information should be presented for the transition year, and for the current and transition year, respectively.	2		
S89d 1.	Information about the funded status of the plan as of the most recent valuation date. If the aggregate actuarial cost method is used, this information should be prepared using the entry age actuarial cost method for that purpose only. Information should include:	2		
S89d 2.	Actuarial valuation date	2		
S89d 3.	Actuarial value of assets	2		
S89d 4.	Actuarial accrued liability	2		
S89d 5.	Total unfunded actuarial liability (or funding excess)	2		
S86d 6.	Actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio)	2		
S89d 7.	Annual covered payroll	2		
S89d 8.	Ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S89e.	Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits	2		
S89f.	Disclosure that the projection of benefits for financial reporting purposes does *not* explicitly incorporate the potential effects of legal or contractual funding limitations, if applicable	2		
S89g 1.	Identification of the actuarial methods and significant assumptions used to determine the annual required contribution for the current year, including:	2		
S89g 2.	Date of the actuarial valuation	2		
S89g 3.	Actuarial cost method	2		
S89g 4.	Method used to determine the actuarial value of assets	2		
S89g 5.	Inflation rate assumption	2		
S89g 6.	Investment return assumption	2		
S89g 7.	Projected salary increase assumption	2		
S89g 8.	Postretirement benefit increase assumption	2		
S89g 9.	Amortization method of unfunded actuarial accrued liability (level dollar or level percentage of projected payroll)	2		
S89g 10.	Amortization period for unfunded actuarial accrued liability	2		
S89g 11.	Whether the amortization period for the unfunded actuarial accrued liability is closed or open	2		
S89h.	If the aggregate actuarial cost method is used, disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to serve as a surrogate for the funding progress of the plan	2		
S90a.	Sole and agent employers should disclose the following information for each defined benefit pension plan as required supplementary information for the most recent actuarial valuation and the two preceding valuations. If the aggregate actuarial cost method was used, this information should be prepared using the entry age actuarial cost method. (GASB P20.119; GAAFR, pages 581-582):	3		
S90b.	Actuarial valuation date	3		
S90c.	Actuarial value of plan assets	3		
S90d.	Actuarial accrued liability	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S90e.	Total unfunded actuarial liability or funding excess	3		
S90f.	Actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio)	3		
S90g.	Annual covered payroll	3		
S90h.	Ratio of the unfunded actuarial liability or funding excess to annual covered payroll	3		
S90i.	Factors that significantly affect the identification of trends in the amounts 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. *(Note to reviewer: GASB P20.119 states that the amounts reported for prior years should not be restated. However, amounts previously reported based on the standardized measure of the pension benefit obligation according to GASB P20 and Pe5 should be restated, unless that measure was used in determining the employer's actuarially determined contributions for the year for which the amounts are reported.)*	3		
Single-Employer Defined Benefit Pension Plans (see second Note regarding OPEB)****** *(Note to reviewer: This information is required for governments that offer single-employer defined benefit pension plans. This would not include GMEBS and ACCG defined benefit pension plans.)* *(Note to reviewer: Governments reporting OPEB plans that are administered as trusts have similar reporting requirements - except for S94j and except that the Schedule of Funding Progress and Schedule of Employer Contributions refer to the most recent and two preceding valuations rather than the past six consecutive fiscal years since valuations are performed biennially for plans with 200+ members - and reviewer should evaluate whether the provisions of GASB Po50.113 through .136 were followed.)*				
S91a.	When a defined benefit pension plan's financial statements are included in the financial report of the employer, the report should include the following (GASB Pe5.111): *(Note to Reviewer: If the defined benefit pension plan's financial statements are NOT included in the employer's financial report, the provisions below in S78 through S83 are not applicable.)*	2		
S91b.	A financial statement, Statement of Plan Net Position, that includes information about the plan assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of the end of the plan's fiscal year.	2		
S91c.	A financial statement, Statement of Changes in Plan Net Position, that includes information about the additions to, deductions from, and net increase (or decrease) for the year in plan net position.	2		
S91d.	A required Schedule of Funding Progress that includes historical trend information about the actuarially determined funded status of the plan from a long-term, ongoing plan perspective and the progress made in accumulating sufficient assets to pay benefits when due.	2		
S91e.	A required Schedule of Employer Contributions that includes historical trend information about the annual required contributions of the employer and the contributions made by the employer in relation to the ARC.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
(Note to Reviewer: GASB Pe5.126 states that "when a cost-sharing or agent plan's financial statements are included in an employer's financial report (pension trust fund), the employer is not required to present the schedules of required supplementary information for that plan if (a) the required schedules are included with the plan's financial statements in a publicly available, stand-alone plan financial report and (b) the employer includes in its notes to the financial statements information about how to obtain the stand-alone plan financial report.)				
(Note to Reviewer: GASB Pe5.126 states that "when the financial statements of a single-employer plan are included in the employer's report, the employer should disclose the availability of the stand-alone plan report and the information required for the schedule of funding progress for the three most recent actuarial valuations. (The employer should not present the schedule of employer contributions for the plan.) GASB Pe5.129 states that, for the schedule of funding progress, "all actuarially determined information reported should be calculated in accordance with the parameters and should be presented as of the actuarial valuation date.				
S92a.	The Statement of Plan Net Position should include (GASB Pe5.112 through .119; GAAFR, pages 262-263 and 644-645):	2		
S92b.	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) and (b) the principal components of the receivables and investments categories	2		
S92c.	Plan investments, whether equity or debt securities, real estate, or other investments (excluding insurance contracts) reported at their fair value at the reporting date	2		
S92d.	The difference between total plan assets, deferred outflows of resources, total plan liabilities, and deferred inflows of resources at the reporting date should be captioned "net position - restricted for pension benefits".	2		
S93a.	The Statement of Changes in Plan Net Position should include (GASB Pe5.120 through .123; GAAFR, pages 263-264 and 645-646):	2		
S93b.	two sections, additions and deductions	2		
S93c.	the difference between total additions and deductions reported as the net increase (or decrease) for the year in plan net position	2		
S93d.	the following information in the additions section:	2		
S93e.	contributions from the employer	2		
S93f.	contributions from plan members, including those transmitted by the employer	2		
S93g.	contributions from sources other than the employer and plan members	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S93h.	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), and (3) total investment expense, separately displayed, including investment management and custodial fees and all other significant investment-related costs *(Note to Reviewer: Per GASB Pe5.121, Footnote 10, investment earnings may be combined with net appreciation of investments and shown as one amount. Furthermore, Footnote 11 states that plans are not required to include in the reported amount of investment expense those investment related costs that are not readily separable from (a) investment income or (b) the general administrative expenses of the plan)*	2		
S93i.	the deductions section which should include (a) benefits and refunds paid to plan members and beneficiaries and (b) total administrative expense, separately displayed.	2		
S94a.	The Notes to the Financial Statements should include the following when a defined benefit pension plan is included within the financial report of the employer (GASB Pe5.124; GAAFR, pages 646-649): *(Note to Reviewer: GASB P20, Footnote 16 states "Section Pe5, paragraphs .124 - .126, 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 this section and Section Pe5, the employer should present the disclosures in a manner that avoids unnecessary duplication.")*	2		
S94b.	Classes of employees covered (for example, general employees and public safety employees)	2		
S94c.	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	2		
S94d.	If the plan is closed to new entrants, that fact should be disclosed	2		
S94e.	Basis of accounting, including the policy with respect to the recognition in the financial statements of contributions, benefits paid, and refunds paid	2		
S94f.	Brief description of how the fair value of investments is determined	2		
S94g.	Funding policy, including a brief description of how the contributions of the plan members, employer, and other contributing entities are determined and how the costs of administering the plan are financed	2		
S94h.	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	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S94i.	The balance in the plan's legally required reserves at the reporting date. Amounts of net position 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". Also include a brief description of the purpose of each reserve and designation disclosed and whether the reserve is fully funded.	2		
S94j.	Concentration of credit risk - Identification of 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 position.	2		
S95.	A Schedule of Funding Progress and a Schedule of Employer Contributions should be presented immediately after the notes to the financial statements as required supplementary information. (GASB Pe5.125; GAAFR, page 649)	3		
S96a.	The Schedule of Funding Progress should present the following information for each of the past six consecutive fiscal years of the plan, at a minimum (GASB Pe5.129; GAAFR, page 649):	3		
S96b.	the actuarial valuation date	3		
S96c.	the actuarial value of plan assets	3		
S96d.	the actuarial accrued liability	3		
S96e.	the total unfunded actuarial liability	3		
S96f.	the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio)	3		
S96g.	the annual covered payroll	3		
S96h.	the ratio of the unfunded actuarial liability to annual covered payroll	3		
S97a.	The Schedule of Employer Contributions should present the following information for each of the past six consecutive fiscal years of the plan, at a minimum (GASB Pe5.130; GAAFR, page 650):	3		
S97b.	the dollar amount of the annual required contribution applicable to that year	3		
S97c.	the percentage of that annual required contribution that was recognized in the plan's Statement of Changes in Plan Net Position for that year as contributions from the employer	3		
Defined Contribution Pension Plans ****** *(Note to reviewer: This information is required only for defined contribution plans)*				
S98a.	Employers should include the following information in the Notes to the Financial Statements for each defined contribution plan to which they are required to contribute (GASB P20.124; GAAFR, page 371):	2		
S98b.	Name of the plan	2		
S98c.	Identification of the public employee retirement system or other entity that administers the plan	2		
S98d.	Identification of the plan as a defined contribution plan	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S98e.	Brief description of the plan provisions and the authority under which they are established or may be amended	2		
S98f.	Contribution requirements (for example, the contribution rate in dollars or as a percentage of salary) of the plan members, employer, and other contributing entities and the authority under which the requirements are established or may be amended	2		
S98g.	The contributions actually made by plan members and the employer.	2		
S99.	The Notes to the Financial Statements should disclose the following for insured plans (GASB P20.121; GAAFR, pages 371-372): 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. Also disclose 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.	2		
Postemployment Benefits ******				
S100.	GASB Statement 45 establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information in the financial reports of state and local governmental employers. (GASBS 45, par. 4)	2		
S101.	A positive (negative) year-end balance in the net OPEB obligation should be recognized as the year-end liability (asset) in relation to the ARC. (GASB P50.119)	2		
S102a.	The Notes to the Financial Statements should include the following information for each defined benefit other postemployment benefit (OPEB) plan in which they participate, regardless of the type of plan (GASB P50.122; GAAFR, page 369):	2		
S102b.	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, agent multiple-employer, or cost-sharing multiple employer defined benefit OPEB plan.	2		
S102c.	Brief description of the types of benefits and the authority under which benefit provisions are established or may be amended.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S102d.	Whether the OPEB plan issues a stand-alone financial report or is included in the report of a PERS or another entity and, if so, how to obtain the report. *(Note to reviewer: GASB Po50 includes the requirements for notes to the financial statements (and schedules of RSI, if applicable) of OPEB plans reported as trust or agency funds in the employer's financial reports. When similar information is required by GASB P50 and GASB Po50, the employer should present the disclosures in a manner that avoids unnecessary duplication.)*	2		
S102e.	Authority under which the obligations of the plan members, employer(s), and other contributing entities to contribute to the plan are established or may be amended.	2		
S102f.	Required contribution rate(s) of plan members. The required contribution rate(s) could be expressed as a rate (amount) per member or as a percentage of covered payroll.	2		
S102g.	Required contribution rate(s) of the employer in accordance with the funding policy, in dollars or as a percentage of current-year covered payroll, and, if applicable legal or contractual maximum contribution rates. If the plan is a single-employer or agent plan and the rate differs significantly from the annual required contribution, disclose how the rate is determined or that the plan is financed on a pay-as-you-go basis. If the plan is a cost-sharing plan, disclose the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined or that the plan is financed on a pay-as-you-go basis.	2		
S103a.	Sole and agent employers should disclose the following information for each defined benefit OPEB plan (GASB P50.123; GAAFR, pages 369-371):	2		
S103b.	For the current year, annual OPEB cost and the dollar amount of contributions made. If the employer has a net OPEB obligation, also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and adjustments to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.	2		
S103c.	For the current year and each of the two preceding years, annual OPEB cost, percentage of annual OPEB cost contributed for that year, and net OPEB obligation at the end of the year. For the first two years, the required information should be presented for the transition year, and for the current and transition years, respectively.)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S103d.	Information about the funded status of the plan as of the most recent valuation date, including the actuarial valuation date, the actuarial value of 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. The information should be calculated in accordance with the parameters. Employers that use the aggregate actuarial cost method should prepare this information using the entry age actuarial cost method for that purpose only. *(Note to reviewer: GASB P50.124 states that this information for the most recent actuarial valuation and the two preceding valuations should be presented as RSI.)* *(Note to reviewer: Employers that meet the criteria in GASB P50.107 may elect to use the alternative measurement method discussed in GASB P50.132 - .134)*	2		
S103e.	Disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB is based, including the following:	2		
S103f.	Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.	2		
S103g.	Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.	2		
S103h.	Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, if applicable, the employer should disclose that the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.	2		
S103i.	Disclosure that actuarial calculations reflect a long-term perspective. In addition, if applicable, disclosure that, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.	2		
S103j 1.	Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by GASB P50.123c. The disclosures should include:	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S103j 2.	The actuarial cost method.	2		
S103j 3.	The method(s) used to determine the actuarial value of assets.	2		
S103j 4a.	The assumptions with respect to the following. If the economic assumptions contemplate different rates for successive years (year-based or select and ultimate rates), the rates that should be disclosed are the initial and ultimate rates:	2		
S103j 4b.	the inflation rate	2		
S103j 4c.	investment return (including the method used to determine a blended rate for a partially funded plan, if applicable)	2		
S103j 4d.	postretirement benefit increases, if applicable	2		
S103j 4e.	projected salary increases if relevant to determination of the level of benefits	2		
S103j 4f.	for postemployment healthcare plans, the healthcare cost trend rate	2		
S103k.	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. *(Note to reviewer: Employers that use the aggregate actuarial cost method should disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S104.	Sole and agent employers should disclose the following information for each defined benefit OPEB plan as required supplementary information for the most recent actuarial valuation and the two preceding valuations. If the aggregate actuarial cost method was used, this information should be prepared using the entry age actuarial cost method. (GASB P50.124; GAAFR, pages 581-582): a. Actuarial valuation date b. Actuarial value of plan assets c. Actuarial accrued liability d. Total unfunded actuarial liability or funding excess e. Actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio) f. Annual covered payroll g. Ratio of the unfunded actuarial liability or funding excess to annual covered payroll h. Factors that significantly affect the identification of trends in the amounts 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. (The amounts reported for prior years should not be restated.)	3		
S105a.	Employers should include the following information in the Notes to the Financial Statements for each defined contribution OPEB plan to which they are required to contribute (GASB P50.129; GAAFR, page 371):	2		
S105b.	Name of the plan	2		
S105c.	Identification of the public employee retirement system or other entity that administers the plan	2		
S105d.	Identification of the plan as a defined contribution plan	2		
S105e.	Brief description of the plan provisions and the authority under which they are established or may be amended	2		
S105f.	Contribution requirements (for example, the contribution rate in dollars or as a percentage of salary) of the plan members, employer, and other contributing entities and the authority under which the requirements are established or may be amended	2		
S105g.	The contributions actually made by plan members and the employer.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S106.	The Notes to the Financial Statements should disclose the following for insured OPEB plans (GASB P50.126; GAAFR, pages 371-372): a. a brief description of the insured benefit, including 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. Also disclose whether the employer has guaranteed benefits in the event of the insurance company's insolvency. c. the current-year OPEB expense/expenditures and contributions or premiums paid.	2		
Additional Disclosures ******				
S107a.	The Notes to the Financial Statements should disclose the following information relating to risk financing activities (GASB C50.145; GAAFR, pages 372-373):	2		
S107b.	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). If commercial insurance is purchased in an amount that is insignificant to the entity's risk of loss, the entity is considered to have effectively retained that risk of loss.	2		
S107c.	A description of significant reductions in insurance coverage from coverage in the prior year by major category of risk.	2		
S107d.	Whether the amount of settlements exceeded insurance coverage for each of the past three years.	2		
S107e.	If the government is participating in a risk pool, a description of the nature of the participation, including the rights and responsibilities of both the government and the pool.	2		
S107f 1.	If the government retains the risk of loss:	2		
S107f 2.	The basis for estimating the liabilities for unpaid claims, including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, and subrogation, and whether over allocated or unallocated claim adjustment expenditures/expenses are included	2		
S107f 3.	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.	2		
S107f 4.	The aggregate outstanding amount of claims liabilities for which annuity contracts have been purchased in the claimants' names and for which the related liabilities have been removed from the financial statements.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S107f 5.	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: a. Amount of claims liabilities at the beginning of each fiscal year. b. Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years. c. Payments on claims attributable to events of both the current fiscal year and prior fiscal years. d. Other changes, including an explanation of each material item e. Amount of claims liabilities at the end of each fiscal year.	2		
S108a.	The Notes to the Financial Statements should disclose the following information regarding landfill closure and postclosure care (GASB L10.115; GAAFR, page 379):	2		
S108b.	The nature and source of landfill closure and postclosure care requirements (federal, state, or local laws or regulations).	2		
S108c.	That recognition of a liability for closure and postclosure care costs is based on landfill capacity used to date.	2		
S108d.	The reported liability for closure and postclosure care at the balance sheet date (if not apparent from the financial statements).	2		
S108e.	The estimated total current cost of closure and postclosure care remaining to be recognized.	2		
S108f.	The percentage of landfill capacity used to date.	2		
S108g.	The estimated remaining landfill life in years.	2		
S108h.	How closure and postclosure care financial assurance requirements, if any, are being met.	2		
S108i.	Any assets restricted for payment of closure and postclosure care costs (if not apparent from the financial statements).	2		
S108j.	The nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.	2		
S109a.	The Notes to the Financial Statements should present the following segment information for governments that report enterprise funds or that use enterprise fund accounting to report their activities (GASB 2500.101; GAAFR, pages 384-385): *(Note: A segment is an identifiable activity reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. Segment disclosures are not required for an activity whose only outstanding debt is conduit debt for which the government has no obligation beyond the resources provided by related leases or loans. In addition, segment reporting is not required when an individual fund both is a segment and is reported as a major fund. (GASB 2500.101, 2500, Footnote 1)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S109b.	Types of goods or services provided.	2		
S109c.	Condensed statement of net position: 1. Total assets - distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or component units should be reported separately. 2. Total deferred outflows of resources. 3. Total liabilities - distinguishing between current liabilities and long-term liabilities. Amounts payable to other funds or component units should be reported separately. 4. Total deferred inflows of resources. 5. Total net position - distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonexpendable components), and unrestricted.	2		
S109d.	Condensed statement of revenues, expenses, and changes in net position: 1. Operating revenues (by major source). 2. Operating expenses. Depreciation (including any amortization) should be identified separately. 3. Operating income (loss). 4. Nonoperating revenues (expenses) - with separate reporting of major revenues and expenses. 5. Capital contributions and additions to permanent and term endowments. 6. Special and extraordinary items. 7. Transfers. 8. Change in net position. 9. Beginning net position. 10. Ending net position.	2		
S109e.	Condensed statement of cash flows: 1. Net cash provided (used) by operating activities. 2. Net cash provided (used) by noncapital financing activities. 3. Net cash provided (used) by capital and related financing activities. 4. Net cash provided (used) by investing activities. 5. Beginning cash and cash equivalent balances. 6. Ending cash and cash equivalent balances.	2		
S110.	An external party should impose the separate segment accounting requirement. “Segment-like” information should not be included in the required segment disclosure but may be presented in a separate note or as supplementary information without referring to the condensed financial information as “segment” information. Also, segment reporting is not required when an individual fund is both a segment and is reported as a major fund. (Comprehensive Implementation Guide, Question 7.86.5, GASB 2500.101 footnote 1; GAAFR, page 385)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S111.	The Notes to the Financial Statements should disclose significant contingent liabilities. (GASB 2300.106(d), 1500.125; GAAFR, pages 389)	2		
S112.	The Notes to the Financial Statements should disclose significant effects of subsequent events. (GASB 2300.106(e), C50.149; GAAFR, page 389)	2		
S113.	The Notes to the Financial Statements should disclose construction and other significant commitments. (GASB 2300.106(k); GAAFR, page 372)	2		
S114a.	The following details should be disclosed in the Notes to the Financial Statements for major component units if the combining statements for these major component units are not included in the basic financial statements or if each major component unit is not included as a separate column on the entity's statements of net position and activities (GASB 2600.109; GAAFR, pages 386-387): *(Note to reviewer: Determining which component units are "major" should be based on the component unit's nature and significance of its relationship to the primary government (GASB 2600.108)*	2		
S114b.	Condensed statement of net position: 1. Total assets- distinguishing between current assets, capital assets and other assets. Amounts receivable from the primary government or from other component units should be reported separately. 2. Total deferred inflows of resources. 3. Total liabilities - distinguishing between current liabilities and long-term liabilities. Amounts payable to the primary government or to other component units should be reported separately. 4. Total deferred inflows of resources. 5. Total net position – distinguishing among net investment in capital assets, restricted (separately reporting expendable and nonespendable components), and unrestricted.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S114c.	Condensed statement of activities: 1. Expenses (by major functions and for depreciation expense, if separately reported). 2. Program revenues (by type). 3. Net program (expense) revenue. 4. Tax revenues. 5. Other nontax general revenues. 6. Contributions to endowments and permanent fund principal. 7. Special and extraordinary items. 8. Change in net position. 9. Beginning net position. 10. Ending net position. *(Note to reviewer: If all of the component units in a given discretely presented component units column are business-type activities, the combining statement may be presented in the statement of revenues, expenses, and changes in net position format with the combined totals recast into the reporting entity's statement of activities. (Comprehensive Implementation Guide, Question 4.28.20))*	2		
S115.	The Notes to the Financial Statements should disclose the nature of its accountability for related organizations. (GASB 2300.107(g), 2600.128; GAAFR, page 387)	2		
S116.	The Notes to the Financial Statements should include disclosures of related party transactions, other than compensation arrangements, expense/expenditure allowances, and other similar items in the ordinary course of operations. The disclosures should include (GASB 2250.103, .107-.108, 2300.107(f); GAAFR, page 388): a. The nature of the relationship(s) involved b. A description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which financial statements are presented, and such other information deemed necessary to gain an understanding of the effects of the transactions on the financial statements c. The dollar amounts of transactions for each of the periods for which financial statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period d. Amounts due from or to related parties as of the date of each statement of net position presented and, if not otherwise apparent, the terms and manner of settlement.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S117.	The Notes to the Financial Statements should provide the following disclosures if the government is a participant in a joint venture, regardless of whether there is an equity interest (GASB J50.109; GAAFR, page 387): a. A general description of each joint venture, including: (1) a description of the participating government's ongoing financial interest or ongoing financial responsibility. (2) information regarding whether the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit to or burden on the participating government in the future. (3) information about the availability of separate financial statements of the joint venture b. Information on related party transactions involving the joint venture. *(Note to Reviewer: If a local government is a member of a Regional Commission, the appropriate disclosure should be provided.)*	2		
S118.	The Notes to the Financial Statements should disclose the amount of the primary government's net position at the end of the reporting period that are restricted by enabling legislation. (GASB 1800.157, 2200.119, 2300.107(gg); GAAFR, page 380)	2		
S119.	The Notes to the Financial Statements should disclose, in the period in which an employer becomes obligated for termination benefits and in any additional period in which employees are required to render future service in order to receive involuntary termination benefits, a description of the termination benefit arrangement(s) – for example, information about the type(s) of benefits provided, the number of employees affected, and the period of time over which benefits are expected to be provided. (GASB T25.114; GAAFR, page 372) (*Note to Reviewer: GASB Comprehensive Implementation Guide, Question Z.47.1 states that "for financial accounting and reporting purposes, Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits are considered a form of healthcare-related termination benefits … However, the measurement requirements of Statement 47 distinguish healthcare-related termination benefits that are provided as a result of a large-scale, age-related event from those healthcare-related termination benefits that are not part of a large-scale, age-related event.)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S120.	The Notes to the Financial Statements should disclose, in the period in which an employer becomes obligated for termination benefits, the cost of termination benefits if that information is not otherwise identifiable from information displayed on the face of the financial statements. To meet this requirement, an employer that provides termination benefits that affect defined benefit pension or OPEB obligations should disclose in the notes to the financial statements the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefits. (GASB T25.115; GAAFR, page 372)	2		
S121.	The Notes to the Financial Statements should disclose, in all periods in which termination benefits are reported, the significant methods (for example, whether termination benefits are measured at the discounted present value of expected future benefit payments) and assumptions (for example, the discount rate and healthcare cost trend rate, if applicable) used to determine the liabilities. (GASB T25.116; GAAFR, page 372)	2		
S122.	The Notes to the Financial Statements should disclose if a termination benefit that otherwise meets the recognition criteria of GASB Statement 47, *Accounting for Termination Benefits*, is not recognized because the expected benefits are not estimable. (GASB T25.117)	2		
S123.	The Notes to the Financial Statements should include disclosures related to future revenues that are pledged or sold (pledged revenues are those specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit). For each period in which the secured debt remains outstanding, pledging governments should disclose information about specific revenues pledged, including: a. Identification of the specific revenue pledged and the approximate amount of the pledge b. Identification of, and general purpose for, the debt secured by the pledged revenue c. The term of the commitment – that is, the period during which the revenue will not be available for other purposes d. The relationship of the pledged amount to the total for that specific revenue, if estimable – that is, the proportion of the specific revenue stream that has been pledged e. A comparison of the pledged revenues recognized during the period to the principal and interest requirements for the debt directly or indirectly collateralized by those revenues. For this disclosure, pledged revenues recognized during the period may be presented net of specified operating expenses, based on the provisions of the pledge agreement; however, the amounts should not be netted in the financial statements. (GASB 2300.128, S20.118; GAAFR, pages 376-377)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S124.	The Notes to the Financial Statements should disclose, in the year of the sale of future revenue streams, information about the specific revenues sold, including: a. Identification of the specific revenue sold, including the approximate amount, and the significant assumptions used in determining the approximate amount b. The period to which the sale applies c. The relationship of the sold amount to the total for that specific revenue, if estimable – that is, the proportion of the specific revenue stream that has been sold d. A comparison of the proceeds of the sale and the present value of the future revenues sold, including the significant assumptions used in determining the present value. (GASB 2300.129, S20.119; GAAFR, page 382)	2		
S125.	The Notes to the Financial Statements should disclose the following for recognized pollution remediation liabilities and recoveries of pollution remediation outlays: a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations) b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations c. Estimated recoveries reducing the liability For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities. (GASB P40.123, .124; GAAFR, pages 379-380)	2		
S126 a.	If it is determined that there is substantial doubt about a governmental entity's ability to continue as a going concern, the notes to the financial statements should include disclosure of the following, as appropriate (GASB 2250.120; GAAFR, page 390):	2		
S126 b.	Pertinent conditions and events giving rise to the assessment of substantial doubt about the government's ability to continue as a going concern for a reasonable period of time	2		
S126 c.	The possible effects of such conditions and events	2		
S126 d.	Government officials' evaluation of the significance of those conditions and events and any mitigating factors	2		
S126 e.	Possible discontinuance of operations	2		
S126f.	Government officials' plans (including relevant prospective financial information)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S126 g.	Information about the recoverability or classification of recorded asset amounts or the amounts or classification of liabilities	2		
S127 a.	The following information should be disclosed in the notes to financial statements of transferors and governmental operators for service concession arrangements (GASB S30.112; GAAFR, page 383):	2		
S127 b.	A general description of the arrangement in effect during the reporting period, including management's objectives for entering into it and, if applicable, the status of the project during the construction period	2		
S127 c.	The nature and amounts of assets, liabilities, and deferred inflows of resources related to a service concession arrangement that are recognized in the financial statements	2		
S127 d.	The nature and extent of rights retained by the transferor or granted to the governmental operator under the arrangement	2		
S128.	Some service concession arrangements may include provisions for guarantees and commitments. For example, a transferor may become responsible for paying the debt of the operator in the event of a default, or the arrangement may include a minimum revenue guarantee to the operator. For each period in which a guarantee or commitment exists, disclosures should be made about guarantees and commitments, including identification, duration, and significant contract terms of the guarantee or commitment. (GASB S30.113; GAAFR, page 383)	2		
S129.	When prior-period adjustments are recorded, the resulting effects on the change in net position of prior periods should be disclosed in the notes to the financial statements in the period in which the adjustments are made. When financial statements for a single period only are presented, the disclosure should indicate the effects of such restatement on the balance of net position at the beginning of the period and on the change in net position of the immediately preceding period. (GASB 2250.125; GAAFR, page 348)	2		
S130.	The nature of and justification for a change in accounting principle and its effect on beginning net position/fund net position should be disclosed in the financial statements of the period in which the change is made. The justification for the change should explain clearly why the newly adopted accounting principle is preferable. (GASB 2250.138; GAAFR, page 348)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S131.	The effect on the change in net position/fund net position of the current period should be disclosed for a change in estimate that affects several future periods, such as a change in service lives of depreciable assets or actuarial assumptions affecting pension costs. (GASB 2250.148; GAAFR, page 348) *(Note to reviewer: GASB Statement 62, paragraph 85 states that disclosure of the effect on the change in net position/fund net position is not necessary for estimates made each period in the ordinary course of accounting for items such as uncollectible accounts or inventory obsolescence.)*	2		
S132.	The financial statements of the period of a change in the reporting entity should describe the nature of the change and the reason for it. In addition, the effect of the change on beginning net position/fund net position should be disclosed for all periods presented. (GASB 2250.150; GAAFR, page 348)	2		
S133.	The nature of an error in previously issued financial statements and the effect of its correction on the change in net position/fund net position should be disclosed in the period in which the error was discovered and corrected. (GASB 2250.152; GAAFR, page 348)	2		
Required Supplemental Information				
T1.	Required supplementary information consists of schedules, statistical data, and other information that the GASB has determined are an essential part of financial reporting and should be presented with, but are not part of, the basic financial statements of a governmental entity. With the exception of Management's Discussion and Analysis (MD&A), all other required supplementary information (as required by various Codification sections) should be presented immediately following the notes to the basic financial statements. Other RSI may include budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget, information about the modified approach for reporting infrastructure assets, and employee benefit related information. (GASB 2200.205; GAAFR, page 577)	2		
T2.	All Required Supplementary Information (RSI), other than the Management's Discussion and Analysis (MD&A), should immediately follow the notes to the financial statements. (GASB 2200.105, .205; GAAFR, page 577)	2		
T3.	Budgetary comparisons should be presented for the general fund and for each major individual special revenue fund for which an annual budget is legally adopted. OCGA 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project-length balanced budget for each capital projects fund. (GASB 1100.111, 2200.206, 2400.102; GAAFR, page 578)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
T4.	A budgetary comparison is required for the general fund and for each major special revenue fund that has a legally adopted annual budget. The legally adopted requirement applies to the general fund as well as the major special revenue funds. "Legally adopted" refers to the notion that the government has no legal authority to spend resources until the budget is adopted. The intent of the legally adopted reference is that the budget provides legal authority to spend resources. A government may formally adopt an operating budget, but if they have the legal authority to spend resources without it, it does not constitute a legally adopted budget as contemplated in the standards. (GASB 2400.102; Comprehensive Implementation Guide, Questions 7.91.13 and 7.91.14)	3		
T5.	The required budgetary comparison information – for the general fund and each major special revenue fund that has a legally adopted budget - should be reported together. A government cannot present some information in the basic financial statements and the remainder in schedules as RSI. (Comprehensive Implementation Guide, Question 7.91.7)	3		
T6.	Budgetary comparisons presented as RSI should be referred to as *schedules* rather than *statements.* (GASB 2400.102, 2200.206; GAAFR, page 578)	3		
T7.	The budgetary comparison schedule should present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the government's budgetary basis. (GASB 2400.102, 2200.206; GAAFR, page 578) *(Note to Reviewer: Comprehensive Implementation Guide, Question 7.92.3 states that the final budget should incorporate amendments regardless of when signed into law or otherwise legally authorized, including amendments made to the budget after the fiscal year ends.)*	3		
T8.	Governments do not have the option of presenting budgetary comparisons for other funds (capital projects, debt service, nonmajor special revenue funds, etc.) in conjunction with the basic financial statements or RSI. (Comprehensive Implementation Guide, Questions 7.91.5 and 7.91.6; GAAFR, page 578)	3		
T9.	A separate column on the budgetary comparison schedule to report the variance between the final budget and actual amounts is encouraged but not required. Governments may also report the variance between original and final budget amounts. (GASB 2200.206, 2400.102; GAAFR, page 579)	3		
T10.	The variance column on the budgetary schedule should not be captioned *favorable/unfavorable.* (GAAFR, page 579) *(Note to reviewer: GAAFR, page 579, footnote 17 suggests labeling the column simply "variance" or "difference" or "over/under".)*	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
T11.	The budgetary comparison schedule should be accompanied by information (either in a separate schedule or notes to RSI) that reconciles differences between budgetary practices and GAAP attributable to basis, timing, perspective and entity differences. (GASB 2200.207, 2400.103; GAAFR, page 579)	3		
T12.	If the government presents required budgetary comparisons as RSI, the Notes to RSI should disclose the budgetary basis of accounting (e.g., GAAP, GAAP plus encumbrances). (GASB 2400.103; GAAFR, page 580)	3		
T13.	The Notes to RSI should disclose excesses of expenditures over appropriations in individual funds presented in the budgetary comparison schedule. (GASB 2200.207, 2400.103; Comprehensive Implementation Guide, Question 7.93.2; GAAFR, page 580)	3		
T14.	If the government chooses to present the budgetary comparison as RSI, then the budgetary expenditures in excess of appropriations, the budgetary basis of accounting, and the reconciliation between the budgetary basis of accounting and GAAP should be presented as notes to RSI rather than as notes to the financial statements. (GAAFR, pages 579-580) *(Note to Reviewer: The disclosure of material violations of finance-related legal and contractual provisions clearly includes violations of the annual appropriated budget, if material, even for funds other than the general fund and major special revenue funds. This disclosure would always be included in the notes to the financial statements. (Comprehensive Implementation Guide, Question 7.93.1))*	3		
T15.	Governments should present the following schedules, derived from asset management systems, as required supplementary information (RSI) for all eligible infrastructure assets that are reported using the modified approach (GASB 1400.118; GAAFR, pages 580-581): a. The assessed condition, performed at least every three years, for at least the three most recent complete condition assessments, indicating the dates of the assessments b. The estimated annual amount calculated at the beginning of the fiscal year to maintain and preserve at (or above) the condition level established and disclosed by the government compared with the amounts actually expensed for each of the past 5 reporting periods	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
T16.	Governments that use the modified approach for infrastructure assets should disclose the following in the notes to RSI (GASB 1400.119; GAAFR, page 581): a. The basis for the condition measurement and the measurement scale used to assess and report condition. For example, a basis for *condition measurement* could be distresses found in pavement surfaces. A *scale* used to assess and report condition could range from zero for a failed pavement to 100 for a pavement in perfect condition. b. The condition level at which the government intends to preserve its eligible infrastructure assets reported using the modified approach. c. Factors that significantly affect trends in the information reported in the required infrastructure schedules, including any changes in the measurement scale, the basis for condition measurement, or the condition assessment methods used during the periods covered by the schedules should be presented in the notes to RSI. d. If there is a change in the condition level at which the government intends to preserve eligible infrastructures assets, an estimate of the effect of the change on the estimated annual amount to maintain and preserve those assets for the current period also should be disclosed in the notes to RSI.	3		
Combining and Individual Fund Statements				
U1.	A combining balance sheet should be presented for all nonmajor governmental fund types where more than one individual fund of a generic fund type is reported on the face of the fund financial statements. (GASB 2200.208; GAAFR, pages 596-598)	2-3		
U2.	A combining statement of revenues, expenditures and changes in fund balance should be presented for all nonmajor governmental fund types where more than one individual fund of a generic fund type is reported on the face of the fund financial statements. (GASB 2200.208; GAAFR, pages 596-598)	2-3		
U3.	A combining statement of net position should be presented for all nonmajor enterprise and internal service funds where more than one individual fund of a generic fund type is reported on the face of the fund financial statements. (GASB 2200.208; GAAFR, pages 596-598)	2-3		
U4.	A combining statement of revenues, expenses and changes in fund net position should be presented for all nonmajor enterprise and internal service funds where more than one individual fund of a generic fund type is reported on the face of the fund financial statements. (GASB 2200.208; GAAFR, pages 596-598)	2-3		
U5.	A combining statement of cash flows should be presented for all nonmajor enterprise and internal service funds where more than one individual fund of a generic fund type is reported on the face of the fund financial statements. (GASB 2200.208; GAAFR, pages 596-598)	2-3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
U6.	A combining statement of fiduciary net position should be presented for all fiduciary funds where more than one individual fund is reported on the face of the fund financial statements. (GASB 2200.208; GAAFR, pages 596-598)	2-3		
U7.	A combining statement of changes in fiduciary net position should be presented for all fiduciary funds where more than one individual fund is reported on the face of the fund financial statements. (GASB 2200.208; GAAFR, pages 596-598)	2-3		
U8.	A combining statement of changes in assets and liabilities should be presented for all agency funds. (GASB 2200.184; GAAFR, pages 597-598) *(Note to Reviewer: GAAFR, page 598 states that "if the government reported only a single agency fund, this presentation would be included with the individual fund financial statements rather than with the combining financial statements".)*	2-3		
U9.	Combining financial statements for nonmajor discretely presented component units should be included using the same methodology as combining (and individual fund) statements of the nonmajor funds of the primary government as supplemental information. (GASB 2200.209, 2600.108; GAAFR, pages 596-598)	2-3		
U10.	Total columns of combining statements of nonmajor governmental and enterprise funds and for internal service and fiduciary funds should agree with the appropriate aggregated column in the fund financial statements. (GASB 2200.208)	2-3		
U11.	Combining and individual fund presentations should not refer to the notes to the financial statements if they are covered by an *in-relation-to* opinion from the independent auditor. (GAAFR, page 599)	3		
U12.	Individual fund budgetary comparison statements should be included for nonmajor special revenue funds, debt service funds, and capital project funds in the combining and individual fund section. (GASB 2400.105; GAAFR, page 607) *(Note to Reviewer: GAAFR, page 609 states that the supplementary budgetary comparisons do not have to present the original budget and do not have to be accompanied by a reconciliation between the basis of budgeting and GAAP, if the two are different.)*	2-3		
U13.	Budgetary comparisons included in the combining and individual fund section should be described as schedules rather than as statements. (GAAFR, page 197)	3		
Report Required for Audits Performed in Accordance With Government Auditing Standards				
(Note to Reviewer: If a combined report is issued, the reviewer should evaluate it using the criteria in V1; if separate compliance and internal control reports are issued, V2 should be cited and the criteria in V1 should be used for both reports. If no reports are submitted, V3 should be cited.)				

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
V1a.	The auditor's standard report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements in accordance with Government Auditing Standards should include (AAG-SLA 4.54):	1		
V1b.	An appropriate addressee.	2		
V1c.	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 the title of each statement the financial statements comprise) and a description of any departure from the standard report. The period covered by the report and the date of the auditor's report should be stated. *(Note: AAG-SLA 4.78 states that when a group auditor refers to the work of a component auditor in the report on an entity's financial statements, the group auditor also should acknowledge the involvement of the component auditor in the report on internal control over financial reporting and compliance and other matters issued as part of the financial statement audit performed in accordance with Government Auditing Standards.)*	2		
V1d.	A statement that the audit was conducted in accordance with GAAS and an identification of the United States of America as the country of origin of those standards (for example, auditing standards generally accepted in the United States of America or U.S. generally accepted auditing standards) and with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.	2		
V1e.	A section with the heading "Internal Control Over Financial Reporting."	2		
V1f.	A statement that in planning and performing the audit of the financial statements, the auditor considered the entity's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, the auditor does not express an opinion on the effectiveness of the entity's internal control.	2		
V1g.	The definitions of *deficiency in internal control*, *significant deficiency*, and *material weakness.*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
V1h.	If no significant deficiencies or material weaknesses have been identified: (1) a statement that the auditor's consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. (2) a statement that, given the limitations, during the audit the auditor did not identify any deficiencies in internal control that are considered to be material weaknesses. (3) a statement that material weaknesses may exist that have not been identified.	1		
V1i.	If significant deficiencies have been identified (but none are considered to be material weaknesses): (1) a statement that the auditor's consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. (2) a statement that given these limitations, during the audit the auditor did not identify any deficiencies in internal control that were considered to be material weaknesses. However, material weaknesses may exist that have not been identified. (3) a statement that certain deficiencies in internal control over financial reporting were identified that the auditor considers to be significant deficiencies. (4) a description of the significant deficiencies identified, including the title of the schedule in which the findings are reported. (Alternatively the findings may be listed in this report.)	1		
V1j.	If material weaknesses and significant deficiencies have been identified: (1) a statement that the auditor's consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. (2) a statement that certain deficiencies in internal control over financial reporting were identified that the auditor considers to be material weaknesses and significant deficiencies. (3) a description of the material weaknesses, including the title of the schedule in which the findings are reported. (Alternatively the findings may be listed in this report.) (4) a description of the significant deficiencies identified, including the title of the schedule in which the findings are reported. (Alternatively the findings may be listed in this report.)	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
V1k.	A section with the heading "Compliance and Other Matters."	2		
V1l.	A statement that as part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, the auditor performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit, and accordingly, the auditor does not express such an opinion.	2		
V1m.	If no instances of noncompliance or other matters have been identified that are required to be reported, a statement that the results of tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*	1		
V1n.	If instances of noncompliance or other matters have been identified that are required to be reported, a statement that the results of the tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying [*include the title of the schedule in which the findings are reported*].	1		
V1o.	If applicable, a statement that additional matters were communicated to the auditee in a written communication.	2		
V1p.	If material weaknesses, significant deficiencies, or reportable instance of noncompliance or other matters are identified, a section with the heading "[*Name of entity*]'s Response to Findings."	2		
V1q.	A statement that the audited entity's response to the findings identified in the audit are described in the accompanying [*include the title of the schedule in which the findings are reported* or *"previously" if findings and responses are included in the body of the report*]. [*Name of Entity*]'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, the auditor does not express an opinion on it.	2		
V1r.	A section with the heading "Purpose of this Report."	2		
V1s.	A statement that the purpose of the report is solely to describe the scope of the testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.	2		
V1t.	The manual or printed signature of the auditor's firm.	1		
V1u.	Auditor's city and state.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
V1v.	The date of the auditor's report. (Because the report on internal control over financial reporting and on compliance and other matters relates to the audit of the financial statements and is based on the GAAS audit procedures performed, it should carry the same date as the auditor's report on the financial statements.)	2		
V2.	The AICPA's Audit Guide: Government Auditing Standards and Circular A-133 Audits recommends combining into one report the reporting required by Government Auditing Standards on the scope and results of testing of the auditee's internal control over financial reporting and compliance with laws, regulations, provisions of contract or grant agreements and other matters which concern certain fraud or abuse. (AAG-SLA 4.27)	3		
V3.	A Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards must be submitted to the State Auditor before the audit report can be accepted.	1		
V4.	Circular A-133 requires the schedule of findings and questioned costs to include all findings, including those required to be reported under *Government Auditing Standards*. Accordingly, the report on internal control over financial reporting and on compliance and other matters should refer to the schedule of findings and questioned costs, which should describe the findings required to be reported under *Government Auditing Standards*. (AAG-SLA 13.25)	2		
Reports Required by the Single Audit Act and OMB Circular A-133				
W1a.	Entities expending $500,000 or more of federal awards in a fiscal year are subject to the Single Audit Act and OMB Circular A-133 and, therefore, must have a single or program-specific audit. Entities expending awards under only one program may elect to have a program-specific audit if the program's laws, regulations, or grant agreements do not require a financial statement audit. Entities that expend less than $500,000 in a fiscal year in federal awards are exempt from audit requirements in the Single Audit Act and Circular A-133. However, those entities are not exempt from other federal requirements (including those to maintain records) concerning federal awards provided to the entity. (AAG-SLA 5.08) The following information should be included in the audit report or submitted to the State Auditor under separate cover. (AAG-SLA 13.05 – 13.08)	1		
W1b.	Supplementary Schedule of Expenditures of Federal Awards	1		
W1c.	Summary Schedule of Prior Audit Findings and Corrective Action Plan	1		
W1d.	Schedule of Findings and Questioned Costs	1		
W1e.	Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with Circular A-133	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
	(Note to Reviewer: AAG-SLA, paragraph 5.39 states that Circular A-133 requires the auditee to submit a data collection form (SF-SAC) that provides information about the auditee, its federal programs, and the results of the audit. This form is not part of the reporting package. The auditor is also required to complete certain sections of the form and electronically certify an auditor statement provided on the form. Additional guidance on the data collection form and the submission process is included in chapter 13 of the Audit Guide.)			
W2a.	The following information should be included in the Schedule of Expenditures of Federal Awards (AAG-SLA 7.20):	2		
W2b.	list of individual federal programs by federal agency. For federal programs included in a cluster of programs, list individual federal programs within a cluster of programs.	2		
W2c.	for federal awards received as a subrecipient, the name of the pass-through entity and the identifying number assigned by the pass-through entity	2		
W2d.	the total federal awards expended for each individual federal program	2		
W2e.	the CFDA (Catalog of Federal Domestic Assistance) number or other identifying number when the CFDA information is not available	2		
W2f.	notes that describe the significant accounting policies used in preparing the schedule	2		
W2g.	the total amount provided to subrecipients by pass-through entities from each federal program. (see AAG-SLA, chapter 12 for a further discussion of the audit consideration of federal pass-through awards) *(Note 1 to Reviewer: AAG-SLA 12.37 states, in part "if a pass-through entity is unable to identify amounts provided to subrecipients, the auditor should consider whether a significant deficiency or a material weakness in internal control over compliance should be reported. The auditor should also consider whether material noncompliance (for subrecipient monitoring) has occurred which should be reported as an audit finding.)* *(Note 2 to Reviewer: AAG-SLA 7.35, footnote 8 indicates that this information may be included in the notes to the schedule or on the face of the schedule as a separate column or section.)*	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W2h.	the value of federal awards expended in the form of noncash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. This information should be presented either in the schedule or a note to the schedule. *(Note to Reviewer: See AAG-SLA 7.30 which states, in part, "in determining the value of total non-cash awards expended for loans and loan guarantees, auditees should include the balances of loans from previous years in the schedule of expenditures of federal awards if the federal government imposes continuing compliance requirements…. Communication with the federal agency's Office of Inspector General may be appropriate if there is any question about an auditee's determination of whether continuing compliance requirements are significant enough to require inclusion of the balances of prior loans or loan guarantees.")*	2		
W3a.	The Summary Schedule of Prior Audit Findings should (AAG-SLA 5.34 and 13.49):	2		
W3b.	report the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to federal awards.	2		
W3c.	include audit findings reported in the prior audit's summary schedule of prior audit findings, except audit findings that have been corrected or are no longer valid	2		
W3d.	include the reference numbers the auditor assigns to audit findings in the schedule of findings and questioned costs. This numbering (or other identification) should include the fiscal year in which the finding initially occurred	2		
W4.	OMB Circular A-133 requires the auditor to prepare a schedule of findings and questioned costs, which should include the following three sections (AAG-SLA 13.38): a. a summary of the auditor's results b. findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards c. findings and questioned costs for federal awards	2		
W5.	The auditor is required to issue a schedule of findings and questioned costs for every single audit, regardless of whether any findings or questioned costs are noted. This is because Circular A-133 requires that one section of the schedule summarize the audit results. In a situation in which there are no findings or questioned costs, the auditor should prepare the summary of auditor's results section of the schedule and either omit the other sections or include them, indicating that no matters were reported. (AAG-SLA 13.47)	2		
W6a.	Circular A-133 requires the schedule of findings and questioned costs to contain a summary of the auditor's results, which must include (AAG-SLA 13.39):	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W6b.	the type of report the auditor issued on the financial statements of the auditee (that is, unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion) *(Note to Reviewer: Footnote 24 to AAG-SLA, par. 13.39 states "as explained in the AICPA Audit and Accounting Guide State and Local Governments, the auditor generally expresses or disclaims an opinion on a government's basic financial statements by providing an opinion or disclaimer of opinion on each opinion unit required to be presented in those financial statements. Therefore, the schedule of findings and questioned costs may need to indicate multiple types of opinions on a government's basic financial statements".)*	2		
W6c.	where applicable, a statement that significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements	2		
W6d.	a statement on whether the audit disclosed any noncompliance that is material to the financial statements of the auditee	2		
W6e.	where applicable, a statement that significant deficiencies or material weaknesses in the internal control over major programs were disclosed by the audit	2		
W6f.	the type of report the auditor issued on compliance for major programs (that is, unmodified opinion, qualified opinion, adverse opinion, or disclaimer of opinion)	2		
W6g.	a statement on whether the audit disclosed any audit findings that the auditor is required to report under section 510(a) of Circular A-133 *(Note to Reviewer: See also AAG-SLA 13.42)*	2		
W6h.	an identification of major programs	2		
W6i.	the dollar threshold used to distinguish between type A and type B programs as described in section 520(b) of Circular A-133 *(Note to Reviewer: Although the June 27, 2003 revisions to OMB Circular A-133 raised the threshold for the applicability of the Single Audit Act from $300,000 to $500,000, it did not change the $300,000 threshold for identifying Type A programs.)*	2		
W6j.	a statement on whether the auditee qualified as a low-risk auditee under section 530 of Circular A-133	2		
W7.	AU-C section 265, *Communicating Internal Control Related Matters Identified in an Audit*, precludes an auditor from issuing a written report representing that no significant deficiencies were noted during an audit. Therefore, use of the term "none reported" is recommended in the Schedule of Findings and Questioned Costs to indicate that no significant deficiencies were included in the auditor's report (versus "none", which would imply that there were no significant deficiencies). (AU-C 265.16, AAG-SLA 13.39, footnote 25) *(Note to Reviewer: See W6c and W6e above)*	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W8.	Circular A-133 requires the schedule of findings and questioned costs to include a section that presents the detail of findings related to the financial statements. This section of the schedule should include all findings related to the audit of the financial statements that are required to be reported by GAAS (generally accepted auditing standards) and Government Auditing Standards in a Circular A-133 audit. (AAG-SLA 13.40 to 13.41)	2		
W9a.	Auditors should place their findings in perspective by describing the nature and extent of the issues being reported and the extent of the work performed that resulted in the finding. To give the reader a basis for judging the prevalence and consequences of these findings, auditors should, as appropriate, relate the instances identified to the population or the number of cases examined and quantify the results in terms of dollar value or other measures. If the results cannot be projected, auditors should limit their conclusions appropriately. (GAS, paragraph 4.29; AAG-SLA 4.61)	2		
W9b.	Government Auditing Standards provides that when presenting findings such as deficiencies in internal control, fraud, noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, auditors should develop the elements of the findings to the extent necessary, including findings related to deficiencies from the previous year that have not been remediated. The elements of an audit finding are: criteria, condition, cause, and effect or potential effect. Clearly developed findings assist management or oversight officials of the auditee in understanding the need for taking corrective action and assist auditors in making recommendations for corrective action. If auditors sufficiently develop the elements of a finding, they may provide recommendations for corrective action. (GAS, paragraph 4.11-4.14 and 4.28; AAG-SLA 4.57 and 4.60)	2		
W10.	When performing an audit in accordance with *Government Auditing Standards*, if the auditor's report discloses deficiencies in internal control, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse, the auditor should obtain and report the views of responsible officials of the auditee concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. (AAG-SLA 4.63; GAS, paragraph 4.33)	2		
W11.	Audit findings that relate to both the financial statements and the federal awards should be reported in both sections of the schedule. However, the reporting in one section of the schedule may be in summary form, with a reference to a detailed reporting in the other section of the schedule. (AAG-SLA 13.39)	2		
W12 a.	Circular A-133 requires the schedule of findings and questioned costs to include a section that reports the findings relating to federal awards which should include (AAG-SLA 13.42):	2		
W12 b.	significant deficiencies and material weaknesses in the internal control over major programs	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W12 c.	material noncompliance with the provisions of laws, regulations, contracts, or grant agreements that are related to a major program	2		
W12 d.	known questioned costs that are greater than $10,000 for a type of compliance requirement for a major program	2		
W12 e.	known questioned costs when likely questioned costs are greater than $10,000 for a type of compliance requirement for a major program. Although the auditor is not required to report the estimate of the total questioned costs, the auditor should include information to provide proper perspective for judging the prevalence and consequences of the questioned costs	2		
W12f .	known questioned costs that are greater than $10,000 for programs that are not audited as major	2		
W12 g.	the circumstances concerning why the auditor's report on compliance for major programs is other than an unmodified opinion, unless such circumstances are otherwise reported as audit findings in the schedule of findings and questioned costs for federal awards (for example, a scope limitation that is not otherwise reported as a finding)	2		
W12 h.	known fraud affecting a federal award, unless such fraud is otherwise reported as an audit finding in the schedule of findings and questioned costs for federal awards. Circular A-133 does not require the auditor to make an additional reporting when the auditor confirms that the fraud was reported outside of the auditor's reports under the direct reporting requirements of Government Auditing Standards	2		
W12i.	instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee in accordance with section 315(b) of Circular A-133 materially misrepresents the status of any prior audit finding	2		
W13a.	The auditor's standard report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133 should include (AAG-SLA, paragraph 13.31):	2		
W13b	A title that includes the word *independent.*	2		
W13c	An addressee appropriate for the circumstances of the engagement.	2		
W13d	A section titled "Report on Compliance for Each Major Federal Program."	2		
W13e1	An introductory paragraph that includes the following:	2		
W13e2	A statement that the auditor has audited the auditee's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* (*Compliance Supplement*) that could have a direct and material effect on each of its major federal programs.	2		
W13e3	Identification of the period covered by the report.	2		
W13e4	A statement that the auditee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W13f	A subheading titled "Management's Responsibility" that includes a statement that compliance with the requirements of laws, regulations, contracts, and grants applicable to the auditee's federal programs is the responsibility of the auditee's management.	2		
W13g1	A subheading titled "Auditor's Responsibility" that includes the following:	2		
W13g2	A statement that the auditor's responsibility is to express an opinion on compliance for each of the entity's major federal programs based on the audit of the types of compliance requirements.	2		
W13g3	A statement that the compliance audit was conducted in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Circular A-133.	2		
W13g4	A statement that those standards and Circular 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.	2		
W13g5	A statement that an audit includes examining, on a test basis, evidence about the entity's compliance with those requirements and performing such other procedures as the auditor considered necessary in the circumstances.	2		
W13g6	A statement that the auditor believes that the compliance audit provides a reasonable basis for the auditor's opinion.	2		
W13g7	A statement that the compliance audit does not provide a legal determination of the auditee's compliance with those requirements.	2		
W13h	When the auditor is expressing an unmodified opinion on all major programs, a subheading titled "Opinion on Each Major Federal Program" that contains a statement that in the auditor's opinion the entity complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs for the year ended [*specify date*].	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W13i	If instances of noncompliance for a major program are noted that result in an opinion qualification, a subheading titled, "Basis for Qualified Opinion on [*Name of Major Federal Program*]" that includes the following (see item *j* for modifications needed for situations where one or more major programs receive a qualified opinion): (1) A statement that, as described in the accompanying schedule of findings and questioned costs, the auditee did not comply with requirements regarding [*identify the major federal program and associated finding number(s) matched to the type(s) of compliance requirements*]. (2) a statement that compliance with such requirements is necessary, in the auditor's opinion, for the auditee to comply with the requirements applicable to the program(s).	2		
W13j	If instances of noncompliance are noted that result in an opinion qualification for one or more major programs, a subheading with an appropriate title (for example, "Qualified Opinion on [*Name of Major Federal Program*]") that includes the auditor's opinion on whether the auditee complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs. ***(****Note: If instances of noncompliance are noted that result in an opinion qualification on one or more major programs, but there are other major programs receiving an unqualified opinion, the subheading to the opinion paragraph relating to the unqualified opinion(s) (see item h) may be modified to, "Unmodified Opinion on Each of the Other Major Federal Programs" to be more clear about the programs receiving an unqualified opinion.)*	2		
W13k1	If other non-compliance is identified that does not result in a modified opinion but that is required to be reported in accordance with Circular A-133, a subheading titled "Other Matters" containing	2		
W13k2	a reference to the schedule of findings and questioned costs in which the instances of non-compliance are described, including the reference number(s) of the finding(s).	2		
W13k3	a statement that the auditor's opinion on each major federal program is not modified with respect to the matters.	2		
W13k4	a statement that the auditee's response to the noncompliance findings identified are described in the accompanying [insert name of document containing management's response to the auditor's findings, for example "schedule of findings and questioned costs and/or corrective action plan."]	2		
W13k5	a statement that the auditee's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, the auditor expresses no opinion on the response.	2		
W13l1.	A section heading "Report on Internal Control Over Compliance" that includes the following statements and definitions:	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W13l2.	A statement that the auditee's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements.	2		
W13l3.	A statement that in planning and performing the compliance audit, the auditor considered the auditee's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.	2		
W13l4.	A statement that the auditor is not expressing an opinion on the effectiveness of internal control over compliance.	2		
W13l5.	The definitions of *deficiency in internal control over compliance*, *material weakness in internal control over compliance*, and *significant deficiency in internal control over compliance.*	2		
W13l6.	A statement that the auditor's consideration of internal control over compliance was for the limited purpose described in the first paragraph of the section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies.	2		
W13l7.	If no material weaknesses in internal control over compliance were identified, a statement that the auditor did not identify any deficiencies in internal control over compliance that are considered to be material weaknesses.	1		
W13l8.	A statement that material weaknesses may exist that have not been identified. (For situations where significant deficiencies or material weaknesses are identified, this statement is revised to indicate that material weaknesses or significant deficiencies may exist that have not been identified.)	2		
W13l9.	If significant deficiencies in internal control over compliance were identified, a statement that no deficiencies in internal control over compliance were identified that are considered to be material weaknesses, however deficiencies in internal control over compliance were identified that are considered to be significant deficiencies, and a description of the significant deficiencies in internal control over compliance or a reference to the accompanying schedule of findings and questioned costs, including the reference number(s) of the finding(s).	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W13l 10.	If material weaknesses in internal control over compliance were identified, a statement that deficiencies in internal control over compliance were identified that are considered to be material weaknesses and a description of the material weaknesses in internal control over compliance or a reference to the accompanying schedule of findings and questioned costs, including the reference number(s) of the finding(s).	1		
W13l 11.	If applicable, a statement that the auditee's written response to the findings identified in the audit are described in the accompanying schedule of findings and questioned costs, and that the auditee's written response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, expresses no opinion on it.	2		
W13l 12.	A separate paragraph at the end of the section stating that the purpose of the report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.	2		
W13m.	The manual or printed signature of the auditor's firm.	1		
W13n.	The city and state where the auditor practices.	2		
W13o.	The date of the auditor's report.	2		
W14.	If a separate single audit package is issued, the required reporting on the schedule of expenditures of federal awards should be incorporated in the report issued to meet the requirements of Circular A-133. (AAG-SLA 13.32)	2		
W15.	According to the Schedule of Expenditures of Federal Awards, total expenditures of federal awards were reported as $X. The reporting package submitted to our office was prepared in accordance with the provisions of OMB Circular A-133, except for any items noted elsewhere in this letter. It is important to note that Section 230(b) of Circular A-133 states that the cost of auditing a non-Federal entity which has Federal awards expended of less than $500,000 per year shall not be charged to a Federal award.	3		
Reports Required by State Law				
X1a.	The audit report must include the following for Special Purpose Local Option Sales Tax (Note: The auditor shall verify and test expenditures sufficient to provide assurances that the schedule is fairly presented in relation to the financial statements.) (OCGA 48-8-121):	1		
X1b.	A schedule should be included in each annual audit which shows for each project in the resolution or ordinance calling for imposition of the tax the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
X1c.	The auditor's report on the financial statements shall include an opinion, or disclaimer of opinion, as to whether the Schedule of Special Purpose Local Option Sales Tax is presented fairly in all material respects in relation to the financial statements taken as a whole.	1		
X1d.	An opinion on the Schedule of Special Purpose Local Option Sales Tax issued in a report separate from the auditor's report on the financial statements is considered a report on special-purpose financial presentation to comply with regulatory provisions as defined by AU 623.22. This special-purpose report must contain the required elements of AU 623.25.	2		
X2.	OCGA 48-8-121 states that the auditor's report on the financial statements shall include an opinion, or disclaimer of opinion, as to whether the Schedule of Special Purpose Local Option Sales Tax is presented fairly in all material respects in relation to the financial statements taken as a whole. This requirement is met by the reference to the schedule in the auditor's report on page X. Therefore, the opinion on the Schedule of Special Purpose Local Option Sales tax included on page XX is unnecessary and could be removed.	3		
X3.	SPLOST proceeds shall be used exclusively for the purpose or purposes specified in the resolution or ordinance calling for imposition of the tax. Such proceeds shall be kept in a separate account from other funds of such county and each qualified municipality receiving proceeds of the sales and use tax and shall not in any manner be commingled with other funds of such county and each qualified municipality receiving proceeds of the sales and use tax prior to the expenditure. (OCGA 48-8-121)	X		
X4.	For counties and municipalities levying and collecting a hotel/motel tax in accordance with the provisions of OCGA 48-13-51, the determination as to whether a county or municipality has complied with the expenditure requirements of this Code section should be prominently reflected in the audit required under Code section 36-81-7 and shall disclose the amount of funds expended or contractually committed for expenditure as provided within the Code section during the fiscal year; and (ii) the amount of tax receipts under this Code section during such fiscal year, and (iii) expenditures as a percentage of tax receipts. A county or municipality contractually expending funds to meet the expenditure requirements of this Code section shall require the contracting party to provide audit verification that the contracting party makes use of such funds in conformity with the requirements of the Code section. If the audit required by Code Section 36-81-7 identifies noncompliance with the applicable expenditure requirements of this code section, such noncompliance shall be reported in accordance with paragraph (2) of subsection (c) of Code Section 36-81-7. [OCGA 48-13-51(a)(9)(B)] *(Note to Reviewer: Further guidance can be found on the Department of Community Affairs website.)*	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
X5.	For counties and municipalities levying and collecting an excise tax on rental motor vehicles in accordance with the provisions of OCGA 48-13-93, as a part of the audit report required under Code section 36-81-7, the auditor should include, in a separate schedule, a report of the revenues and expenditures pertaining to the tax. (OCGA 48-13-96)	1		
X6.	Each grant of state funds to a recipient local government from the Governor's Emergency Fund or from a special project appropriation is conditioned upon the receipt by the state auditor of a properly completed Grant Certification Form. The Grant Certification Form requires certification by the local government and by the local government auditor (auditor certification is required only on grant awards exceeding $5,000) that the grant funds were used solely for the express purpose or purposes for which the grant was made. The Grant Certification Form must be filed with the State Auditor in conjunction with the annual audit required under OCGA 36-81-7 for each year in which the grant funds are expended or remain unexpended by the local government. Failure to comply results in forfeiture of the grant and return to the state of any grant funds received by the local government. (OCGA 36-81-8.1)	1		
X7.	Any local government collecting or expending any 9-1-1 charges or wireless enhanced 9-1-1 charges in any fiscal year beginning on or after July 1, 2005, shall document the amount of funds collected and expended from such charges. Any local government collecting or expending 9-1-1 funds shall certify in their audit, as required under Code Section 36-81-7, that 9-1-1 funds were expended in compliance with the expenditure requirements of this Code section. (OCGA 46-5-134(m)(1)) (Note: Information on the E-911 report can be found on our website at http://www.audits.ga.gov/NALGAD/9-1-1_information.html)	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
X8.	O.C.G.A. §36-81-3(e) requires local governments to adopt and use the Uniform Chart of Accounts for Local Governments in Georgia (UCOA) established and maintained by the Georgia Department of Community Affairs. The UCOA specifies that the operations of E-911 Centers be accounted for in the Emergency 911 telephone fund, a special revenue fund, unless a government's E-911 program is integrated within its telecommunications activity, in which case E-911 must be accounted for within the Telecommunications fund, an enterprise fund. Furthermore, O.C.G.A. §46-5-134 identifies allowable expenditures of E-911 revenue collections. Based upon our review of the audited financial statements and/or the Annual Report of E-911 Collections and Expenditures, the following noncompliance with the above referenced Code sections was noted: According to the information provided on the E-911 report, E-911 funds are being transferred to the General Fund. All revenues and expenditures related to operating an E-911 Center should be accounted for in the E-911 Fund. (Note that the above finding is included in this correspondence as required by O.C.G.A. §36-81-7, which also requires a corrective action plan be submitted. Please be advised that O.C.G.A. §46-5-134(m)(2) provides that "Any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Such liability may be established in judicial proceedings by any aggrieved party. The noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service suppliers abating the imposition of the 9-1-1 charges and wireless enhanced 9-1-1 charges until such abatement equals the total amount of the rebate.")	X		
X9.	In 2011, the General Assembly passed two bills that revised the E-911 reporting requirements. House Bill 280 modified the allowable uses of E-911 funds received. Under Senate Bill 156, there is no requirement to submit local government auditor certification that funds were expended in compliance with the expenditure requirements of O.C.G.A. §46-5-134. In addition, there is no requirement to report the amount of E-911 funds collected. The new Certification of 911 Expenditures template is available on the Local Government Audit and Accounting Resource Library page of the Department's website.	3		

Entity Determination				
Y1a.	The Georgia Department of Audits and Accounts has determined that the following entity(ies) should be reported as follows within the financial statements of the local government: *(Note to Reviewer: The basis for conclusions on entity determinations can be found within the Local Government Section of the Department of Audits and Accounts web site - address on page 1)*	2		
Y1b.	City Business Improvement District - part of primary government	2		
Y1c.	County Board of Health - discretely presented component unit	2		
Y1d.	Downtown Development Authority - discretely presented component unit	2		
Y1e.	Housing Authority - related organization (note disclosure only)	2		

END OF CHECKLIST