

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, 2007)
- GASBS 34 Statement No. 34 of the Governmental Accounting Standards Board
- FAS Accounting Standards, Financial Accounting Standards Board
- GAS Government Auditing Standards (2003 Revision, unless otherwise noted)
- AAG-SLV Audit and Accounting Guide: State and Local Governments, American Institute of Certified Public Accountants (issued May 1, 2007)
- APB Accounting Principles Board
- AU Codification of Auditing Standards, American Institute of Certified Public Accountants (copyright 2007).
- AAG-SLA Audit and Accounting Guide: Government Auditing Standards and Circular A-133 Audits (With conforming changes as of May 1, 2007), American Institute of Certified Public Accountants
Nonauthoritative
- GAAFR Governmental Accounting, Auditing, and Financial Reporting, "Using the GASB 34 Model."
Government Finance Officers Association (2005 Edition).

Comprehensive Implementation Guide – Guides Issued Through June 30, 2007 Governmental Accounting Standards Board (September 2007)

Any questions concerning local government audit report reviews should be addressed to Edward Blaha, Director, 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) 651-5115 or e-mail localgov@audits.ga.gov.

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

Revision Date 08/08

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 286)	3		
A2.	The report cover should disclose the fiscal period (e.g. “for the fiscal year ended <i>month, date, year</i>). (GAAFR, page 286)	3		
A3.	If the government preparing the CAFR is a component unit of another government, the cover should include a reference to the primary government. (GAAFR, page 285)	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) <i>(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.)</i>	1		
Table of Contents				
A5.	The report should contain a table of contents. (GASB 2200.105; GAAFR, page 286)	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 290-291)	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 290)	2 - 3		
A8.	The table of contents should identify each statement and schedule by its full title. (GAAFR, page 286)	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 286)	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) <i>(Note to Reviewer: If this requirement is in question, status can be verified on the Internet Web site of the Georgia Secretary of State.)</i>	1		

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B2.	<p>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 14.13)</p> <p><i>(Note to reviewer: AAG-SLV 14.79, 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, which collectively comprise the city’s basic financial statements as listed in the table of contents.”)</i></p>	2		
B3.	<p>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 <i>Government Auditing Standards</i> issued by the Comptroller General of the United States. (OCGA 36-81-7; GAS 5.11 (2007 Yellow Book 5.05); AAG-SLA 4.23)</p>	1		
B4.	<p>When the report on the financial statements is submitted to comply with a requirement for an audit in accordance with <i>Government Auditing Standards</i>, the report should state that the audit was made in accordance with generally accepted government auditing standards. The AICPA’s <i>Government Auditing Standards and Circular A-133 Audits</i> 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 <i>Government Auditing Standards</i> issued by the Comptroller General of the United States.” (AAG-SLA 4.23)</p>	2		
B5a.	<p>The auditor's report on the basic financial statements should include (AAG-SLA 4.21; AU 508.08):</p>	2		
B5b.	<p>a title that includes the word <i>independent</i></p>	2		
B5c.	<p>a statement that the financial statements identified in the report were audited</p>	2		
B5d.	<p>a statement that the financial statements are the responsibility of the auditee’s management and that the auditor’s responsibility is to express an opinion on the financial statements based on the audit</p> <p><i>(Note to reviewer: AAG-SLV 14.14 requires the introductory paragraph of the audit report state that the auditor’s responsibility is to express “opinions” on the financial statements based on his or her audit)</i></p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
B5e.	A statement that the audit was conducted in accordance with generally accepted auditing standards 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).	2		
B5f.	a statement that generally accepted auditing standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement <i>(Note to reviewer: AAG-SLV 14.14 states, "Even though the auditor's report generally will provide more than one opinion, the auditor is conducting only one audit. Therefore, the scope paragraph refers to only one audit.")</i>	2		
B5g.	a statement that an audit includes (1) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements (2) assessing the accounting principles used and significant estimates made by management (3) evaluating the overall financial statement presentation	2		
B5h.	a statement that the auditor believes that the audit provides a reasonable basis for the auditor's opinion <i>(Note to reviewer: AAG-SLV 14.14 requires the introductory paragraph of the audit report state that the auditor's responsibility is to express "opinions" on the financial statements based on his or her audit. The scope paragraph should also refer to the auditor's "opinions".)</i>	2		
B5i.	An opinion as to whether the financial statements are fairly presented, in all material respects in conformity with generally accepted accounting principles. The opinion should include an identification of the United States of America as the country of origin of those accounting principles (for example, accounting principles generally accepted in the United States of America or U.S. generally accepted accounting principles).	2		
B5j.	the manual or printed signature of the auditor's firm	2		
B5k.	the date of the audit report	2		

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B6.	<p>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 cash flows, where applicable, of each opinion unit in those financial statements in conformity with GAAP. (AAG-SLV 14.12)</p> <p><i>(Note to reviewer: AAG-SLV 14.79, 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 conformity with accounting principles generally accepted in the United States of America.")</i></p>	2		
B7.	<p>Year-to-year changes in major funds are not considered changes in accounting principles affecting consistency, and thus no modification to the auditor's report is needed. (AAG-SLV 14.39)</p>	2		
B8.	<p>The adoption of certain GASB standards constitute a change in accounting principles that, unless immaterial, will require the auditor's report to include an explanatory paragraph regarding consistency. (AAG-SLV 14.17)</p>	2		
B9.	<p>The omission of required supplementary information (RSI) or the presentation of RSI in a manner that does not meet the standard established by generally accepted accounting principles does not affect the auditor's conclusion regarding the fair presentation of the basic financial statements. (AAG-SLV 14.54)</p>	2		
B10.	<p>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 14.14)</p>	2		
B11.	<p>The auditor's report on the financial statements should either (1) describe the scope of the auditors' testing of compliance with laws and regulations and internal controls and present the results of those tests or (2) refer to separate reports containing that information. When auditors report separately on compliance with laws and regulations and internal control over financial reporting, the report on the financial statements should state that they have issued the additional report. It should also state that the report on compliance with laws and regulations and internal control over financial reporting is an integral part of an audit performed in accordance with <i>Government Auditing Standards</i>, and should be considered in assessing the results of the audit. (GAS 5.08 (2007 Yellow Book 5.07 – 5.09); AAG-SLA 4.04(b) and 4.51, Example 4-1)</p>	2		

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B12.	<p>The AICPA's <i>Audit and Accounting Guide: State and Local Governments</i> recommends that, when auditors report separately on internal control over financial reporting and compliance with laws, regulations, contracts and grants, the reference to the separate report in the report on the financial statements should indicate that the separate report does not provide an opinion on internal control over financial reporting or on compliance. (AAG-SLA 4.04(b), 4.51, Example 4-1)</p> <p><i>(Note to Reviewer: AICPA Illustrative Audit Reports, Example 4-1 dated November 14, 2007, includes the following recommended language:</i></p> <p><i>In accordance with Government Auditing Standards, we have also issued our report dated [date of report] on our consideration of the City of Example's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.</i></p>	3		
B13.	<p>When the principal auditor decides to refer to the audit of another auditor, the principal auditor's report should indicate clearly, in the introductory, scope and opinion paragraphs, the division of responsibility between that portion of the financial statements covered by the principal auditor's own audit and that covered by the audit of the other auditor. The report should disclose the magnitude of the portion of the financial statements audited by the other auditor. (AU 543.07; AAG-SLV 14.26)</p> <p><i>(Note to Reviewer: Example format is included in AU 543.09. AU 543.07 states that the disclosure of magnitude referred to above may be done 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 reveals the portion of the financial statements audited by the other auditor.)</i></p>	2		
B14.	<p>When financial statements are materially affected by a departure from generally accepted accounting principles (GAAP), the auditor should express a qualified or adverse opinion. All of the substantive reasons leading to the conclusion that there has been a departure from GAAP should be disclosed in explanatory paragraphs preceding the opinion paragraph. If practicable, the explanatory paragraph(s) should also disclose the principal effects of the subject matter on financial position, results of operations, and cash flows. (AU 508.35-.60; AAG-SLV 14.22-14.25)</p>	2		
B15.	<p>When an auditor-submitted document contains unaudited RSI or SI, the auditor should report whether the RSI or SI are stated fairly in all material respects in relation to the basic financial statements taken as a whole or disclaim such an opinion. (AAG-SLV 14.60)</p>	2		

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B16.	<p>If a client submitted document contains unaudited RSI or SI and the auditor is engaged to report on some or all of the RSI or SI, the auditor should include either an opinion on whether that RSI or SI is fairly stated in all material respects in relation to the basic financial statements taken as a whole or disclaim such an opinion. If the auditor is not engaged to report on the client submitted RSI or SI, the auditor may choose to issue a disclaimer of opinion or ask the government to label the RSI or SI as unaudited. (AAG-SLV 14.60-14.61)</p> <p><i>(Note to Reviewer: AAG-SLV 14.60 Footnote 25 states that “for information that is not financially oriented, the auditor cannot express an opinion and should disclaim an opinion.”)</i></p>	2		
B17.	<p>An auditor is required to report on required information (RSI) if (AAG-SLV 14.56):</p> <ul style="list-style-type: none"> a. the supplementary information required by GAAP is omitted b. the auditor has concluded that the measurement or presentation of the supplementary information departs materially from prescribed guidelines c. the auditor is unable to complete the prescribed procedures d. the auditor is unable to remove substantial doubts about whether the supplementary information conforms to prescribed guidelines <p><i>(Note to reviewer: AAG-SLV 14.56 includes an example format of the explanatory paragraph)</i></p>	2		
B18.	<p>Reference to the financial statements <i>taken as a whole</i> applies not only to the financial statements of the current period but also to those of one or more prior periods that are presented on a comparative basis with those of the current period. Therefore, a continuing auditor should update the report on the individual financial statements of the one or more prior periods presented on a comparative basis with those of the current period. (AU 508.65)</p> <p><i>(Note to reviewer: Footnote 24 of AU 508 states, in part, that “a continuing auditor need not report on the prior-period financial statements if only summarized comparative information of the prior period(s) is presented. For example, entities such as state and local governmental units frequently present total-all-funds information for the prior period(s) rather than information by individual funds because of space limitations or to avoid cumbersome or confusing formats.”)</i></p>	2		
B19.	<p>A change in the reporting entity is a special type of change in accounting principle, which results in financial statements that, in effect, are those of a different reporting entity. This type includes changing the entities included in combined financial statements. This type of change requires recognition in the auditor’s report through inclusion of an explanatory paragraph. (AU 420.07-.08)</p> <p><i>(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.)</i></p>	2		

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B20.	<p>The auditor's report on the financial statements as it relates to the schedule of expenditures of federal awards should include (AAG-SLA, par 12.12):</p> <p>a. An identification of the schedule of expenditures of federal awards as accompanying supplementary information. This identification may be by descriptive title or by page number of the document.</p> <p>b. A statement that the audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole (or for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of a state or local government) and that the schedule of expenditures of federal awards required by Circular A-133 is presented for purposes of additional analysis and is not a required part of the financial statements.</p> <p>c. An opinion on whether the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.</p> <p><i>(Note to Reviewer: If the schedule of expenditures of federal awards is not presented with the financial statements, consult AAG-SLA, par. 12.15 and 12.24)</i></p>	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 151)	3		
C2.	The financial section should begin with the independent auditor's report on the financial statement audit. (GAAFR, page 290)	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 292)	3		
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 292-293):	3		
C4b.	Total assets, distinguishing between capital and other assets	3		
C4c.	Total liabilities, distinguishing between long-term liabilities and other liabilities.	3		
C4d.	Total net assets, distinguishing among amounts invested in capital assets, net of related debt; restricted amounts; and unrestricted amounts	3		
C4e.	Program revenues, by major source	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
C4f.	General revenues, by major source	3		
C4g.	Total revenues	3		
C4h.	Program expenses, at a minimum by function	3		
C4i.	Total expenses	3		
C4j.	Excess (deficiency) before contributions to term and permanent endowments or permanent fund principal, special and extraordinary items, and transfers.	3		
C4k.	Contributions	3		
C4l.	Special and extraordinary items	3		
C4m.	Transfers	3		
C4n.	Change in net assets	3		
C4o.	Ending net assets	3		
C5.	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 293)	3		
C6.	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 assets and whether restrictions, commitments, or other limitations significantly affect the availability of fund resources for future use. (GASB 2200.109; GAAFR, page 293) <i>(Note to reviewer: The government does not have to present condensed financial information for the funds, just a summary analysis. See GASB 2200.907)</i>	3		

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C7.	<p>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 293)</p> <p><i>(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 293))</i></p>	3		
C8.	<p>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 293)</p> <p><i>(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 294)</i></p>	3		
C9.	<p>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 294)</p>	3		
C10.	<p>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 294):</p> <ol style="list-style-type: none"> (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		
C11.	<p>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)</p>	3		

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C12.	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 295)	3		
C13.	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 assets) or results of operations (revenues, expenses, and other changes in net assets). (GASB 2200.109; GAAFR, page 294) <i>(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.)</i>	3		
C14.	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)	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 290, 295)	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, pages 310-311)	3		
D3.	Each basic financial statement should contain a reference to the notes to the financial statements. (GAAFR, page 295)	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-.107; GAAFR, pages 244-245)	2		
D5.	If the government has multiple <i>major</i> discretely presented component units, the basic financial statements should present separate financial information on each as either 1) separate columns in the government-wide financial statements, or 2) combining statements included within the basic financial statements, or 3) condensed financial statements included within the notes to the financial statements. (GASB 2200.191, 2600.108; GAAFR, pages 65-66)	2		

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D6.	The traditional distinction between operating transfers and residual equity transfers has been discontinued. Therefore all transfers should be recognized as <i>transfers</i> 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, .156, .159; GASBS 34, paragraph 304)	2		
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, page 34)	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, page 156) <i>(Note to reviewer: See Comprehensive Implementation Guide, Question 7.7.4 for additional guidance.)</i>	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		
E4.	The government-wide financial statements should present a total column for the primary government. (GASB 2200.112, GAAFR, page 157)	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 Assets. (GASB 2200.146, GAAFR, page 157)	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, pages 65 and 157)	2		

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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, page 34)	2		
E9.	Resource flows (except those that affect the balance sheet 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 2200.149; GAAFR, pages 47, 94 and 228)	2		
Government-Wide Statement of Net Assets				
F1.	The basic financial statements should include a government-wide Statement of Net Assets. (GASB 2200.102, .105, .110; GAAFR, page 155)	1		
F2.	The government-wide statement of net assets should report all financial and capital resources. Governments are encouraged to present the statement in a format that displays <i>assets less liabilities equal net assets</i> , although the traditional balance sheet (<i>assets equal liabilities plus net assets</i>) may be used. (GASB 2200.115; GAAFR, page 156)	2		
F3.	GAAP prescribe two approaches for ordering the presentation of assets and liabilities on the government-wide statement of net assets. 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, page 159-160)	2		
F4.	If assets and liabilities are presented in their relative order of their liquidity on the Statement of Net Assets, 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 160.)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 assets. (GASB 1400.114; GAAFR, page 126) <i>(Note to Reviewer: GASB Statement No. 51 states that intangible assets should be recognized in the statement of net assets 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.)</i>	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 assets. Accumulated depreciation may be reported on the face of the statement of net assets 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 assets. (GASB 1400.112; Comprehensive Implementation Guide, Question 7.11.3)	2		
F8.	All long-term liabilities associated with governmental activities should be reported in the governmental activities column on the government-wide statement of net assets. (GASB 1500.103; GAAFR, page 128)	2		
F9.	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		
F10.	The difference between assets and liabilities on the government-wide statement of net assets should be reported as <i>net assets</i> , not fund balance or equity. (GASB 2200.115; GAAFR, page 160)	2		
F11.	Net assets should be subdivided into three components on the government-wide statement of net assets (GASB 2200.117; GAAFR, pages 160-161): a. invested in capital assets, net of related debt b. restricted (distinguishing between major categories of restrictions) c. unrestricted	2		
F12.	If the government has no debt, the term “Invested in Capital Assets” should be used rather than “Invested in Capital Assets, Net of Related Debt”. (GAAFR, page 162; Comprehensive Implementation Guide, Question 7.23.7)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
F13.	Net assets invested in capital assets, net of related debt consists of capital assets, including <i>restricted</i> capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds should <i>not</i> be included in the calculation of <i>invested in capital assets, net of related debt</i> . Rather, that portion of the debt should be included in the same net assets component as unspent proceeds - for example, <i>restricted for capital projects</i> . (GASB 2200.118; GAAFR, pages 53 and 161)	2		
F14.	If debt is capital-related, the amounts of premiums, discounts, and deferred amounts from refundings would be included in the calculation of <i>invested in capital assets, net of related debt</i> . If the debt is restricted for a specific purpose and the proceeds are unspent, the net proceeds would affect <i>restricted net assets</i> . If the debt proceeds are not restricted for capital or other purposes, the unamortized costs would be included in the calculation of unrestricted net assets. Unamortized debt issue costs in those cases should be included in unrestricted net assets because those outlays do not acquire, construct, or improve capital assets. (Comprehensive Implementation Guide, Question 7.23.3)	3		
F15.	Restricted assets are sometimes set aside to make debt service payments on capital-related debt. In such cases, the assets themselves, <i>but not the related debt</i> , should be considered as part of the calculation of <i>restricted net assets</i> . That is, capital-related debt, as noted earlier, is always properly taken into consideration as part of the calculation of <i>net assets invested in capital assets, net of related debt</i> . (Comprehensive Implementation Guide, Question 7.24.2; GAAFR, pages 54 and 161)	3		
F16.	Net assets should be reported as restricted when constraints placed on net assets are either (GASB 2200.119): a. Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of <i>other</i> governments. b. Imposed by law through constitutional provisions or enabling legislation. <i>(Note to reviewer: GASB 2200, Footnote 13 states that because different measurement focuses and bases of accounting are used in the statement of net assets than in governmental fund statements, and because the definition of reserved includes more than resources that are restricted, amounts reported as reserved fund balances in governmental funds will generally be different from amounts reported as restricted net assets in the statement of net assets.)</i>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
F17.	Amounts reported in the funds as interfund receivables and payables should be eliminated in the governmental and business-type activities columns of the primary government on the government-wide statement of net assets, 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 assets as receivable from and payable to external parties. All internal balances should be eliminated in the total primary government column. (GASB 2200.146)	2		
F18.	Internal advances are not considered debt or other borrowing for purposes of calculating the net asset components. Internal balances enter into the computation of unrestricted net assets. (Comprehensive Implementation Guide, Question 7.23.11)	3		
F19.	Designations are used to reflect a government's intended use of current available financial resources. The focus on current financial resources is unique to governmental funds. Accordingly, designations should be reported only on the governmental fund balance sheet. (GAAFR, page 282)	3		
F20.	No category of restricted net assets can have a negative balance. The negative amount should be reported as a reduction of unrestricted net assets. (GAAFR, page 163; 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, page 164) <i>(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.")</i>	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 164)	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, pages 164-165)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
G4.	<p>The government-wide statement of activities should present business-type activities at least by different identifiable activities. (GASB 2200.127; GAAFR, page 165)</p> <p><i>(Note to reviewer: GASB 2200, Footnote 17, 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.)</i></p>	2		
G5.	<p>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 165)</p>	2		
G6.	<p>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, pages 165-166)</p>	2		
G7.	<p>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, page 166)</p>	2		
G8.	<p>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 <i>decrease</i> for each line that reports an expense to be allocated (such as general government) and a corresponding <i>increase</i> for each line to which that expense is being allocated (such as public safety). (GAAFR, page 167)</p> <p><i>(Note to reviewer: This column should net to \$0 in total)</i></p>	3		
G9.	<p>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, pages 167-168)</p>	2		
G10.	<p>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 169)</p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
G11.	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 169)	2		
G12.	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 167)	2		
G13.	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		
G14.	Special assessments should be shown as program revenues on the government-wide statement of activities. Operating special assessments should be presented as <i>charges for services</i> and capital-type special assessments should be presented as <i>capital grants and contributions</i> . (GASB 2200.137-.138; Comprehensive Implementation Guide, Questions 7.36.1 and 7.36.2; GAAFR, page 169)	2		
G15.	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, <i>general revenues</i> . (GASB 2200.141; GAAFR, page 170)	2		
G16.	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 assets. (GAAFR, page 170)	3		
G17.	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)	3		
G18.	Contributions of infrastructure automatically qualify as program revenue because the use of such an asset is considered to be inherently restricted. (GAAFR, page 168; Comprehensive Implementation Guide, Question 7.34.7)	3		
G19.	When a government reports extraordinary items in its financial statements, an explanation of the underlying event should be reported in the notes to the financial statements. (GASB 2200.144; GAAFR, page 240)	2		
G20.	When a government reports special items in its financial statements, an explanation of the underlying event ordinarily is reported in the notes to the financial statements. (GAAFR, page 240)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
G21.	Gains on the sale of capital assets, if material, should be reported as general revenue on the government-wide statement of activities. Immaterial gains may be handled as an adjustment to the current period's depreciation expense. (GAAFR, page 169-170)	3		
G22.	A loss on disposal of a capital asset is not a direct expense of the program. Losses should be included in general government-type expenses on the government-wide statement of activities. Insignificant losses could be eliminated by adjusting the current period's depreciation expense by the amount of the loss. (Comprehensive Implementation Guide, Question 7.38.1)	3		
G23.	Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence. Significant transactions or other events <i>within the control of management</i> that are <i>either</i> unusual in nature <i>or</i> infrequent in occurrence are special items. (GASB 2200.143, .144; GAAFR, pages 54-55)	2		
Fund Financial Statements - General				
H1.	Interfund receivables and payables in the fund financial statements should be equal. (GASB 1300.120)	2		
H2.	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 2200.179; GAAFR, page 118)	2		
H3.	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		
H4.	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 2200.190; GAAFR, pages 196, 197)	2		
H5.	A combined total column should be presented in the governmental fund financial statements. (GASB 2200.156, .159; GAAFR, pages 178 and 180)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
H6.	<p>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 2200.154; Comprehensive Implementation Guide, Question 7.57.3; GAAFR, page 179)</p> <p><i>(Note to reviewer: GAAFR page 179, Footnote 147 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.)</i></p>	2		
H7.	<p>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)</p>	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
H8.	<p>The focus of governmental and proprietary fund financial statements is on <i>major</i> 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 2200.149, .150; GAAFR, page 177):</p> <p>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) <i>and</i></p> <p>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.</p> <p><i>(Note to reviewer: GASB 2200.150 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.”)</i></p> <p><i>(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.”)</i></p>	1		
H9.	<p>Nonmajor funds should be aggregated and displayed in a single column in the fund financial statements. (GASB 2200.152; GAAFR, page 177)</p>	2		
H10.	<p>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 <i>not</i> 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, page 178)</p>	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
H11.	Governments do not have the option of reporting separate fund-type columns for their nonmajor governmental funds. (GAAFR, page 177, footnote 135; Comprehensive Implementation Guide, Question 7.55.2)	3		
H12.	The main operating fund (the general fund or equivalent) should always be reported as a major fund in the fund financial statements. (GASB 2200.153; GAAFR, page 177)	1		
H13.	Each local government is required to adopt and use the <u>Uniform Chart of Accounts for Local Governments in Georgia</u> . 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): <i>(Note to reviewer: The <u>Uniform Chart of Accounts for Local Governments in Georgia</u> is available for viewing on the website of the Georgia Department of Community Affairs – www.dca.state.ga.us)</i>	2		
Balance Sheet - Governmental Funds				
I1.	The basic financial statements should include a governmental fund balance sheet. (GASB 2200.155; GAAFR page 172)	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)	1		
I3.	Governmental funds focus on <i>current financial resources</i> . Accordingly, only financial assets are properly reported in governmental funds. An asset is considered financial if it is a form of <i>cash</i> , an asset that will be <i>converted to cash in the ordinary course of business, inventory</i> (materials or supplies), or a <i>prepayment</i> . (GASB 2200.156; GAAFR, page 173)	2		
I4.	The governmental fund balance sheet does not report a liability for unmatured principal and interest of the general government's long-term debt. Likewise, in the case of liabilities that normally are not liquidated immediately with current financial resources (such as claims and judgments, compensated absences, special termination benefits, landfill closure and postclosure costs), a liability is recognized only as amounts become due. (GASB 2200.156; GAAFR, page 174)	2		
I5.	In the case of compensated absences, the only portion of the liability that would be reported in a governmental fund would be the amount of reimbursable unused vacation leave or sick leave payable to employees who had terminated their employment as of the end of the fiscal year. (GAAFR, pages 91 and 174)	3		
I6.	Subtotals for liabilities and fund balance should be provided on the governmental balance sheet. (GASB 2200.915)	3		
I7.	The difference between assets and liabilities should be labeled <i>fund balance</i> . (GASB 2200.156, 1300.102; GAAFR, page 174)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
I8.	Governmental funds report the difference between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. (GASB 2200.157; GAAFR, page 50)	2		
I9.	Reserved fund balances of the combined nonmajor funds should be displayed in sufficient detail to disclose the purposes of the reservations (for example, reserved for debt service or reserved for encumbrances). (GASB 1800.142 and 2200.157; GAAFR, page 234)	2		
I10.	Unreserved fund balances of nonmajor funds should be displayed by fund type on the face of the balance sheet. (GASB 1800.146 and 2200.157; GAAFR, page 177)	2		
I11.	Unreserved fund balances of nonmajor funds displayed by fund type should be further subdivided into their <i>designated</i> and <i>undesignated</i> components. (GAAFR, page 178)	3		
I12.	The amounts of unreserved fund balances of nonmajor funds reported by fund type on the balance sheet must be exactly the same as those reported in the combining financial statements. (Comprehensive Implementation Guide, Question 7.63.2; GAAFR, page 178)	3		
I13.	Reserves/Designations of major funds should be sufficiently described on the face of the balance sheet or disclosed in the notes. (GAAFR, page 234)	3		
I14.	Unreserved fund balance may be divided into <i>designated</i> and <i>undesignated</i> portions. Designations of fund balance are intended to represent accumulations of resources. Therefore, it is not appropriate to report designations in excess of available resources. (GASB 1800.140; AAG-SLV 10.17; GAAFR, pages 50 and 176)	2		
I15.	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 assets of governmental activities. (GASB 2200.154 and .158)	1		
I16.	The summary reconciliation for the balance sheet for governmental funds should include, but is not limited to, the effects of (GASB 2200.158): 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 asset 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, .155; GAAFR, page 172)	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 2200.159; GAAFR, page 180)	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 1800.115, 2200.160; GAAFR, page 180)	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 1800.120; GAAFR, page 180)	2		
J5.	Expenditures on the statement of revenues, expenditures, and changes in fund balances should be classified at a minimum by function. (GASB 2200.160)	2		
J6.	The capital outlays character classification often is used solely for capital outlays reported in capital projects funds. Capital outlays of the general fund often are included as part of the current expenditures reported for each functional activity within that fund. (GAAFR, page 180)	3		
J7.	The term “expenses” should not be used in connection with governmental fund types. (GASB 1800.101; GAAFR, page 89)	2		
J8.	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 1800.112; GAAFR, page 82)	2		
J9.	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 2200.161, 1800.108 and .109)	2		
J10.	Debt <i>proceeds</i> 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 2200.160, .161; Comprehensive Implementation Guide 7.66.1; GAAFR, pages 80 – 81)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
J11.	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 assets. 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 assets. (GASB B50.102)	2		
J12.	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, pages 82-83)	2		
J13.	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 D20.106, 1800.109; GAAFR, pages 49 and 94)	2		
J14.	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 assets of governmental activities. (GASB 2200.154, .163)	1		
J15.	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 2200.151 and .160): 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 assets as liabilities instead of other financing sources; also, reporting debt principal payments in the statement of net assets 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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Major Special Revenue Funds				
<i>(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.)</i>				
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 1, 2200.182, 2400.102; GAAFR, pages 181 and 368)	2		
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 2200.182, 2400.102; GAAFR, page 182) <i>(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.)</i>	2		
K4.	Governments do <i>not</i> 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 181)	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 2200.182, 2400.102; GAAFR, page 182)	3		
K6.	The variance column on the budgetary statement should not be captioned favorable/unfavorable. (GAAFR, page 182) <i>(Note: GAAFR, page 182 recommends using neutral or mathematical terminology such as over/under for the variance column.)</i>	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 2200.183, 2400.103; GAAFR, pages 183 and 205)	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 181)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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)	1		
L2.	Proprietary fund statements should present the financial information for each major enterprise fund in a separate column. (GASB 2200.165; GAAFR, page 184)	2		
L3.	Nonmajor enterprise funds should be aggregated and displayed in a single column. (GASB 2200.165; GAAFR, page 184)	2		
L4.	A combined total column should be presented for all enterprise funds. (GASB 2200.165; GAAFR, page 184)	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 2200.165; GAAFR, page 184)	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, pages 21-22)	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 23)	2		
L8.	Governments are encouraged to report solid-waste landfills activity as an enterprise fund. Indeed, if there is a legal or managerial requirement to recover cost (including some measure of the cost of capital assets) through fees and charges, the use of an enterprise fund is required by GAAP. (GAAFR, page 107)	3		
L9.	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		
L10.	Generally, the amounts reported as net assets and changes in net assets in the proprietary fund financial statements for total enterprise funds will be the same as net assets and changes in net assets 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 2200.173)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Statement of Fund Net Assets/Balance Sheet - Proprietary Funds				
M1.	The basic financial statements should include a statement of net assets for proprietary funds. (A balance sheet format may be used). (GASB 2200.105, .164; GAAFR, page 183)	1		
M2.	Assets and liabilities should be classified as <i>current</i> and <i>long-term</i> on the statement of net assets/balance sheet for proprietary funds. (GASB 2200.166; GAAFR, page 183) <i>(Note to Reviewer: GASB Statement No. 51 states that intangible assets should be recognized in the statement of fund net assets 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.)</i>	2		
M3.	When restricted assets are being used to repay maturing debt, the appropriate portion of each should be treated as a current asset and a current liability. To report the debt as current, but the restricted asset that will be used to repay it as noncurrent, would distort working capital (i.e., current assets less current liabilities = working capital). (GAAFR, page 160)	3		
M4.	Either fund net assets or fund equity may be used as the label for the difference between proprietary fund assets and liabilities. (GASB 2200.164, Footnote 29; GAAFR, page 183)	2		
M5.	Net assets/equity should be subdivided into the following categories, as appropriate: 1) invested in capital assets, net of related debt, 2) restricted (distinguishing between major categories of restrictions), and 3) unrestricted. (GASB 2200.167)	2		
M6.	Capital contributions should not be displayed as a separate component of net assets on the statement of net assets for proprietary funds. (GASB 2200.167)	2		
M7.	Designations of net assets should not be reported on the face of the proprietary fund financial statements. (GASB 2200.167)	2		
Statement of Revenues, Expenses, and Changes in Fund Net Assets/Equity				
N1.	The basic financial statements should include a statement of revenues, expenses, and changes in fund net assets/equity for proprietary funds. (GASB 2200.105, .164; GAAFR, page 183)	1		
N2.	The proprietary operating statement should distinguish between operating and nonoperating revenues and expenses. (GASB 2200.169; GAAFR, page 185)	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 assets/equity. (GASB 2200.168, 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 assets/equity should present a separate subtotal for <i>operating revenues, operating expenses, and operating income</i> . (GASB 2200.169-.170)	2		
N5.	Revenues should be reported by major source on the proprietary fund operating statement. (GASB 2200.169; GAAFR, page 186)	2		
N6.	The term “expenditures” should not be used in connection with proprietary fund types. (GASB 1800.101; GAAFR, page 185)	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 2200.169)	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 46, 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 as a transfer out, even though no other fund would be in a position to report a corresponding transfer in. Nonetheless, transfers in and transfers out would continue to balance in the government-wide statement of activities. (GAAFR, page 46)	3		
N10.	The Statement of Revenues, Expenses and Changes in Net Assets should provide a reconciliation of the beginning and ending net assets that is directly related to the beginning and ending Statement of Net Assets. (GASB 2200.170)	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 assets, this deferred amount should be reported as a deduction from or an addition to the new debt liability. (GASB D20.108; GAAFR, pages 106-107)	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 49)	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, .164; GAAFR, page 183)	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 189)	2		
O3.	The direct method of presenting cash flows should be used. (GASB 2200.174, 2450.128)	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 189): 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) <i>(Note to reviewer: GAAFR, page 188 states that “governments may adopt their own definition of cash equivalents, provided their definition is more restrictive than the GAAP definition. For example, a government is free to define cash equivalents so as to eliminate resources held in restricted accounts. Governments enjoy no similar flexibility regarding the definition of cash. Thus, for example, a government must include cash held in restricted accounts as part of the cash balance it reports on the statement of cash flows”. See also Comprehensive Implementation Guide, Question 2.12.2)</i>	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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 192)	2		
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 189)	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 190)	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, page 190)	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, page 190)	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, page 190)	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, page 190)	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, page 190)	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 190)	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 190)	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 190)	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 191)	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 191)	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, page 190)	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; GAAFR, page 190)	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 financing category. (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 191)	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)	2		
O31.	The net appreciation/depreciation in the value of investments reported at fair value (but <i>not</i> classified as cash equivalents) is a noncash transaction that requires disclosure in a schedule to the Statement of Cash Flows – Proprietary Funds. (GAAFR, page 191)	3		
O32.	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				
<i>(Note to reviewer: The requirements for pension trust funds apply to defined contribution plans. (Comprehensive Implementation Guide, Question 5.38.2))</i>				
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 1600.134)	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 24 and 113)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 2200.175; GAAFR, page 196) <i>(Note to reviewer: GAAFR, page 196 states that the statement should present one column for each fund type reported. Separate columns would be acceptable for individual pension and other postemployment benefit plans in the absence of a separately issued financial report providing the necessary individual plan information.)</i>	2		
P5.	All component units that are fiduciary in nature should <i>not</i> be shown in a separate column, but combined with their appropriate fiduciary fund type. (GASB 2200.175, .190, Comprehensive Implementation Guide, Question 7.77.4; GAAFR, page 196)	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 I50.116) <i>(Note to reviewer: GASB I50.116 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.)</i>	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, page 25)	2		
Statement of Fiduciary Net Assets				
Q1.	The basic financial statements should include a statement of fiduciary net assets. (GASB 2200.105, .175; GAAFR, page 195)	1		
Q2.	The statement of fiduciary net assets should include information about the assets, liabilities, and net assets for each fiduciary fund type. (GASB 2200.176; GAAFR, page 195)	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 assets. (GASB Pe5.113; Po50.115, GAAFR, pages 195 and 332)	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 assets. (GASB Pe5.113; Po50.115 GAAFR, pages 195 and 332-333)	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 assets. (GASB 1300.114, 2200.922a)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Q6.	The fiduciary fund statement of position must employ the net assets format. (GASB 2200.176, .919; GAAFR, page 195)	2		
Q7.	If a pension trust fund is reported, the difference between total plan assets and total plan liabilities at the reporting date should be captioned <i>net assets held in trust for pension benefits</i> (GASB Pe.5.119; GAAFR, pages 195 and 333)	2		
Q8.	If an other postemployment benefit trust fund is reported, the difference between total plan assets and total plan liabilities at the reporting date should be captioned <i>net assets held in trust for OPEB</i> . (GASB Po50.121)	2		
Q9.	The difference between the external investment pool assets and liabilities should be captioned <i>net assets held in trust for pool participants</i> on the statement of fiduciary net assets. (GASB I50.116; GAAFR, page 195)	2		
Q10.	The statement of fiduciary net assets should not report the actuarially determined funded status of pension trust funds. (GASB Pe5.111; GAAFR, pages 195 and 333)	2		
Q11.	Assets should equal liabilities in agency funds. (GASB 2200.178; GAAFR, pages 26 and 195)	2		
Q12.	A total column should not be presented on the Statement of Fiduciary Net Assets. (GAAFR, page 195)	3		
Statement of Changes in Fiduciary Net Assets				
R1.	The basic financial statements should include a statement of changes in fiduciary net assets. (GASB 2200.105, .175; GAAFR, page 195)	1		
R2.	The statement of changes in fiduciary net assets should be divided into two sections: additions and deductions. (GASB 2200.177; GAAFR, pages 196 and 333)	2		
R3.	Agency funds should not be reported in the statement of changes in fiduciary net assets. (GASB 2200.178; GAAFR, page 197)	2		
R4.	Additions for pension and other postemployment benefit trust funds should be classified into the following categories, as appropriate: <i>employer contributions, plan member contributions, other contributions, and net investment income</i> . (GASB Pe5.121, Po50.123; GAAFR, pages 196 and 333)	2		
R5.	Investment expense should be separately displayed in the <i>net investment income</i> addition category on the statement of changes in fiduciary net assets. (GASB Pe5.121, Po50.123; GAAFR, pages 196 and 333) <i>(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.)</i>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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, pages 196 and 333)	2		
Notes to Financial Statements				
S1.	The basic financial statements should include Notes to the Financial Statements. (GASB 2200.105, 2300.101; GAAFR, pages 149 and 199)	1		
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)	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 2600.120; GAAFR, page 200)	2		
S5.	The Notes to the Financial Statements should include a discussion of the criteria for including component units in the financial reporting entity and how the component units are reported. (GASB 2300.106(a)(2) and 2600.120; GAAFR, page 200)	2		
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), 2600.120; GAAFR, page 200)	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 2600.119)	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 2600.119, 2300.107)	2		
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 2600.124)	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 200)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 discernable. (GASB 1300.125 and 2300.106(a)(3); GAAFR, page 201) <i>(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.)</i>	2 - 3		
S12.	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; GAAFR, page 201)	2		
S13.	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 201)	2		
S14.	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; GAAFR, page 201)	2		
S15.	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 201)	2		
S16.	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		
S17.	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)	2		
S18.	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 <i>available</i> for purposes of revenue recognition in the governmental fund financial statements. (GASB 2300.106(a)(5), 1600.106; GAAFR, page 201)	2		
S19.	The Notes to the Financial Statements should disclose the <i>susceptible to accrual</i> criterion for major revenue sources. This disclosure should address the specific types of major revenue sources that meet this criterion. (GASB 1600.108; GAAFR, page 201)	2		
S20.	The Notes to the Financial Statements should disclose the amount of encumbrances outstanding at year-end if the government intends to honor the contracts in progress unless the balance outstanding is reported as a reservation of fund balance. (GASB 1700.128(c))	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S21.	If cash flows reporting focuses on both <i>cash</i> and <i>cash equivalents</i> , the Notes to the Financial Statements should define cash equivalents. (GASB 2300.106(a)(11), 2450.108; GAAFR, page 204)	2		
S22.	Generally, only investments with original maturities of three months or less meet the definition of cash and cash equivalents. (GASB 2450.106; GAAFR, page 188)	2		
S23.	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 201)	2		
S24.	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). (GASB 2300.106(a)(7); Comprehensive Implementation Guide, Question 7.85.4; GAAFR, page 202) <i>(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.")</i>	2		
S25.	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 202)	3		
S26.	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)(7); GAAFR, page 202)	2		
S27.	The Notes to the Financial Statements should disclose the government's policy for applying FASB pronouncements issued after November 30, 1989, to business type activities and to enterprise funds of the primary government. (GASB 2300.106(a)(10); GAAFR, page 203)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S28.	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, page 205)	2		
S29.	The Notes to the Financial Statements should disclose the valuation basis for investments. (APB 22 paragraph 12; GAAFR, page 204)	2		
S30.	The Notes to the Financial Statements should disclose how inventory is valued (typically at cost, rather than lower of cost or market), the flow assumption used to determine cost (e.g. weighted average, FIFO), and the timing for reporting expenditures relating to inventory in governmental funds (i.e., when purchased or when consumed). (APB 22 paragraph 12; GAAFR, page 205)	2		
S31.	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)(8); GAAFR, page 203)	2		
S32.	The Notes to the Financial Statements should disclose the government's policy for defining operating and nonoperating revenues and expenses in proprietary funds. (GASB 2200.171 and 2300.106(a)(9), P80.118; GAAFR, page 203)	2		
S33.	The Notes to the Financial Statements should disclose the policy for allocating indirect expenses to functions in the Statement of Activities. (GASB 2300.106a(8); GAAFR, page 203)	2		
S34.	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 assets are available. (GASB 2300.106(a)(12); Comprehensive Implementation Guide, Question 7.84.3; GAAFR, page 204)	2		
S35.	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; GAAFR, page 205)	2		
S36.	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, page 205; Comprehensive Implementation Guide, Question 7.93.1)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S37.	"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		
S38.	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(i), 2400.104; GAAFR, page 224) <i>(Note to reviewer: GAAFR, page 205 states that material budget violations fall within this category. GAAFR, page 224 states that reportable violations also may occur in connection with grant requirements, bond covenants, regulations governing deposits and investments, and a variety of other common situations.)</i>	2		
S39.	The Notes to the Financial Statements should disclose deficit fund balances or net assets of individual nonmajor funds. (GASB 2300.106(o); GAAFR, page 227) <i>(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.)</i>	2		
Assets *****				
S40.	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 207)	2		
S41.	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 207)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S42.	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		
S43.	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 209)	2		
S44.	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		
S45.	<p>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 I50.126; Comprehensive Implementation Guide, Questions 1.5.1 through 1.5.5; GAAFR, page 210)</p> <p><i>(Note to reviewer: GAAFR, page 210 states that "to qualify as an investment policy, a given item must either be formally adopted in some way by the governing body or be incorporated into a contract. Management "policies" that have not been approved by the board or past practice alone are not sufficient to constitute a policy for this purpose".)</i></p>	2		
S46.	<p>The Notes to the Financial Statements should briefly describe the types of investments authorized by legal or contractual provisions. (GASB I50.124; Comprehensive Implementation Guide, Questions 1.6.1, 1.7.1 and 1.7.2; GAAFR, page 210)</p> <p><i>(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.)</i></p> <p><i>(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".</i></p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S47.	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 I50.124; Comprehensive Implementation Guide, Question 1.7.3; GAAFR 210)	2		
S48.	<p>The following investment disclosures should be made in the Notes to the Financial Statements (GASB I50.119):</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> 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		
S49.	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 I50.128; GAAFR, page 210)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S50.	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 I50.127; GAAFR page 212)	2		
S51.	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 I50.131; GAAFR, pages 214-216)	2		
S52.	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 P70.109; GAAFR, page 229)	2		
S53.	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 2300.111; GAAFR, page 226)	2		
S54.	Information about major classes of capital assets should be disclosed in the Notes to the Financial Statements. This disclosure should include the following (GASB 2300.112; GAAFR, page 226): 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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Liabilities *****				
S55.	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 1500.118(a); 2300.106(j); Comprehensive Implementation Guide, Question 7.85.7; GAAFR, page 225)	2		
S56.	The terms by which interest rates change for variable-rate debt should be disclosed in the Notes to the Financial Statements. (GASB 1500.118(b); GAAFR, page 225)	2		
S57.	The Notes to the Financial Statements could disclose the following information for each outstanding debt issue (GAAFR, page 240): a. purpose b. original amount c. types (e.g., revenue bonds, general obligation bonds) d. amount of installments e. interest rates f. maturity ranges g. applicability of federal arbitrage regulations	3		
S58.	The long-term debt disclosure in the Notes to the Financial Statements should provide information separately for each major class of long-term liabilities (for example, bonds and notes, leases payable, claims and judgments, compensated absences). Also, a clear distinction should be made between long-term liabilities associated with business-type activities and governmental-type activities. (GASB 2300.111; GAAFR, page 227)	2		
S59.	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 238) <i>(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.)</i>	2		
S60.	The Notes to the Financial Statements should disclose the following for capital leases (GASB L20.125; FAS L10.112; GAAFR, page 225): a. description of the general leasing arrangements b. the gross amount of assets recorded under capital leases presented by major asset classes c. minimum future lease payments in total for each of the next five years and in five-year increments thereafter, presenting a deduction of the amount of imputed interest to reduce the net minimum future lease payments to their present value.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S61.	<p>The Notes to the Financial Statements should disclose changes in long-term liabilities. This disclosure should include (GASB 2300.114; Comprehensive Implementation Guide, Question 7.85.6; GAAFR, page 227):</p> <ol style="list-style-type: none"> 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		
S62.	<p>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 2300.118; GAAFR, page 232):</p> <ol style="list-style-type: none"> 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		
S63.	<p>The Notes to the Financial Statements should disclose details of short-term debt activity. This disclosure could address how the government intends to finance the payment of short-term debt outstanding at the end of the period (for instance, repayment from operating revenues, a rollover of the obligations, or replacement with long-term debt). (GAAFR, page 232)</p>	3		
S64.	<p>The Notes to the Financial Statements should disclose the following for noncancelable operating leases (GASB L20.125; GAAFR, page 225; FAS L10.112):</p> <ol style="list-style-type: none"> a. description of the general leasing arrangements b. future minimum rental payments in total for each of the next five years (only for noncancelable leases of more than one year) and in five- year increments thereafter c. current-year rental costs 	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S65.	<p>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 237)</p> <p><i>(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.)</i></p>	2		
S66.	<p>The Notes to the Financial Statements should disclose, in all periods following an advance refunding for which debt defeased <i>in substance</i> remains outstanding, the amount of that debt, if any, outstanding at period-end. (GASB D20.114; GAAFR, page 234)</p>	2		
S67.	<p>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 D20.111, D20.115; GAAFR, page 233)</p>	2		
S68.	<p>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, pages 236-237)</p>	2		
S69.	<p>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(p))</p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S70.	<p>Governments should disclose in the Notes to the Financial Statements the following details about interfund transfers reported in the fund financial statements (GASB 2300.121; GAAFR, page 228):</p> <ol style="list-style-type: none"> 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: <ol style="list-style-type: none"> (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		
S71.	<p>If the government is a recipient of an endowment, the Notes to the Financial Statements should disclose the following (GASB 2300.117; GAAFR, page 228):</p> <ol style="list-style-type: none"> a. Amounts of net appreciation on investments that are available for expenditure b. Explanations about how available amounts are reflected in net assets. c. The state law governing the ability to spend net appreciation d. The policy for authorizing and spending investment income. 	2		
S72.	<p>The Notes to the Financial Statements should include the following disclosures relating to conduit debt obligations (GASB C65.102; GAAFR, page 238):</p> <ol style="list-style-type: none"> 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. <p><i>(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)</i></p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S73.	Governments should disclose in the Notes to the Financial Statements the following details about interfund balances reported in the fund financial statements (GASB 2300.120; GAAFR p.227-228): 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		
Defined Benefit Pension Plans ***** <i>(Note to reviewer: This information is required for all defined benefit pension plans. This would include GMEBS and ACCG defined benefit plans)</i>				
S74a.	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, pages 221-222): <i>(Note to reviewer: See GASB Pe5.124 for note disclosure requirements for entities issuing stand-alone financial reports for their pension plan)</i>	2		
S74b.	Name of the plan	2		
S74c.	Identification of the public employee retirement system or other entity that administers the plan	2		
S74d.	Identification of the plan as a single-employer, agent multiple-employer, or cost-sharing multiple employer defined benefit pension plan	2		
S74e.	Brief description of the types of benefits and the authority under which benefit provisions are established or may be amended	2		
S74f.	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		
S74g.	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		
S74h.	Required contribution rate(s) of active plan members	2		
S74i.	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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S74j.	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		
S75a.	Sole and agent employers should disclose the following information for each defined benefit pension plan (GASB P20.118; GAAFR, pages 221-222):	2		
S75b.	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		
S75c.	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		
S75d 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		
S75d 2.	Actuarial valuation date	2		
S75d 3.	Actuarial value of assets	2		
S75d 4.	Actuarial accrued liability	2		
S75d 5.	Total unfunded actuarial liability (or funding excess)	2		
S75d 6.	Actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio)	2		
S75d 7.	Annual covered payroll	2		
S75d 8.	Ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll	2		
S75e.	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		
S75f.	Disclosure that the projection of benefits for financial reporting purposes does <i>not</i> explicitly incorporate the potential effects of legal or contractual funding limitations, if applicable	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S75g 1.	Identification of the actuarial methods and significant assumptions used to determine the annual required contribution for the current year, including:	2		
S75g 2.	Date of the actuarial valuation	2		
S75g 3.	Actuarial cost method	2		
S75g 4.	Method used to determine the actuarial value of assets	2		
S75g 5.	Inflation rate assumption	2		
S75g 6.	Investment return assumption	2		
S75g 7.	Projected salary increase assumption	2		
S75g 8.	Postretirement benefit increase assumption	2		
S75g 9.	Amortization method of unfunded actuarial accrued liability (level dollar or level percentage of projected payroll)	2		
S75g 10.	Amortization period for unfunded actuarial accrued liability	2		
S75g 11.	Whether the amortization period for the unfunded actuarial accrued liability is closed or open	2		
S75h.	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		
S76a.	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, page 298):	3		
S76b.	Actuarial valuation date	3		
S76c.	Actuarial value of plan assets	3		
S76d.	Actuarial accrued liability	3		
S76e.	Total unfunded actuarial liability <u>or</u> funding excess	3		
S76f.	Actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio)	3		
S76g.	Annual covered payroll	3		
S76h.	Ratio of the unfunded actuarial liability <u>or</u> funding excess to annual covered payroll	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S76i.	<p>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.</p> <p><i>(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.)</i></p>	3		
<p>Single-Employer Defined Benefit Pension Plans (see second Note regarding OPEB)***** <i>(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.)</i> <i>(Note to reviewer: Governments reporting OPEB plans that are administered as trusts have similar reporting requirements - except for S80j 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 .133 were followed.)</i></p>				
S77a.	<p>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):</p> <p><i>(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 S73f through l are not applicable.)</i></p>	2		
S77b.	<p>A financial statement, Statement of Plan Net Assets, that includes information about the plan assets, liabilities, and net assets as of the end of the plan's fiscal year.</p>	2		
S77c.	<p>A financial statement, Statement of Changes in Plan Net Assets, that includes information about the additions to, deductions from, and net increase (or decrease) for the year in plan net assets.</p>	2		
S77d.	<p>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.</p>	2		
S77e.	<p>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.</p>	2		
<p><i>(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.)</i></p>				

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
<p><i>(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.</i></p>				
S78a.	The Statement of Plan Net Assets should include (GASB Pe5.112 through .119; GAAFR, pages 332-333):	2		
S78b.	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		
S78c.	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		
S78d.	The difference between total plan assets and total plan liabilities at the reporting date should be captioned “net assets held in trust for pension benefits”.	2		
S79a.	The Statement of Changes in Plan Net Assets should include (GASB Pe5.120 through .123; GAAFR, pages 333-334):	2		
S79b.	two sections, additions and deductions	2		
S79c.	the difference between total additions and deductions reported as the net increase (or decrease) for the year in plan net assets	2		
S79d.	the following information in the additions section:	2		
S79e.	contributions from the employer	2		
S79f.	contributions from plan members, including those transmitted by the employer	2		
S79g.	contributions from sources other than the employer and plan members	2		
S79h.	<p>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</p> <p><i>(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)</i></p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S79i.	the deductions section which should include (a) benefits and refunds paid to plan members and beneficiaries and (b) total administrative expense, separately displayed.	2		
S80a.	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, page 334): <i>(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.")</i>	2		
S80b.	Classes of employees covered (for example, general employees and public safety employees)	2		
S80c.	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		
S80d.	If the plan is closed to new entrants, that fact should be disclosed	2		
S80e.	Basis of accounting, including the policy with respect to the recognition in the financial statements of contributions, benefits paid, and refunds paid	2		
S80f.	Brief description of how the fair value of investments is determined	2		
S80g.	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		
S80h.	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		
S80i.	The balance in the plan's legally required reserves at the reporting date. Amounts of net assets designated by the plan's board of trustees or other governing body for a specific purpose(s) also may be disclosed but should be captioned "designations", rather than "reserves". Also include a brief description of the purpose of each reserve and designation disclosed and whether the reserve is fully funded.	2		
S80j.	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 assets.	2		
S81.	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)	3		
S82a.	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 335):	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S82b.	the actuarial valuation date	3		
S82c.	the actuarial value of plan assets	3		
S82d.	the actuarial accrued liability	3		
S82e.	the total unfunded actuarial liability	3		
S82f.	the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio)	3		
S82g.	the annual covered payroll	3		
S82h.	the ratio of the unfunded actuarial liability to annual covered payroll	3		
S83a.	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 335):	3		
S83b.	the dollar amount of the annual required contribution applicable to that year	3		
S83c.	the percentage of that annual required contribution that was recognized in the plan's Statement of Changes in Plan Net Assets for that year as contributions from the employer	3		
Defined Contribution Pension Plans *****				
<i>(Note to reviewer: This information is required only for defined contribution plans)</i>				
S84a.	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 223):	2		
S84b.	Name of the plan	2		
S84c.	Identification of the public employee retirement system or other entity that administers the plan	2		
S84d.	Identification of the plan as a defined contribution plan	2		
S84e.	Brief description of the plan provisions and the authority under which they are established or may be amended	2		
S84f.	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		
S84g.	The contributions actually made by plan members and the employer.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S85.	The Notes to the Financial Statements should disclose the following for insured plans (GASB P20.121; GAAFR, pages 223-224): 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 *****				
S86a.	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 P50.120):	2		
S86b.	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		
S86c.	Brief description of the types of benefits and the authority under which benefit provisions are established or may be amended.	2		
S86d.	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. <i>(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.)</i>	2		
S86e.	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		
S86f.	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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S86g.	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		
S87a.	Sole and agent employers should disclose the following information for each defined benefit OPEB plan (GASB P50.121):	2		
S87b.	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		
S87c.	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		
S87d.	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. <i>(Note to reviewer: GASB P50.122 states that this information for the most recent actuarial valuation and the two preceding valuations should be presented as RSI.)</i> <i>(Note to reviewer: Employers that meet the criteria in GASB P50.107 may elect to use the alternative measurement method discussed in GASB P50.130 - .132)</i>	2		
S87e.	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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S87f.	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		
S87g.	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		
S87h.	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		
S87i.	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		
S87j1.	Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by GASB P50.121c. The disclosures should include:	2		
S87j2.	The actuarial cost method.	2		
S87j3.	The method(s) used to determine the actuarial value of assets.	2		
S87j4a	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		
S87j4b	the inflation rate	2		
S87j4c	investment return (including the method used to determine a blended rate for a partially funded plan, if applicable)	2		
S87j4d	postretirement benefit increases, if applicable	2		
S87j4e	projected salary increases if relevant to determination of the level of benefits	2		
S87j4f	for postemployment healthcare plans, the healthcare cost trend rate	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S87k.	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. <i>(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.)</i>	2		
S88a.	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):	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 defined contribution plan	2		
S88e.	Brief description of the plan provisions and the authority under which they are established or may be amended	2		
S88f.	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		
S88g.	The contributions actually made by plan members and the employer.	2		
S89.	The Notes to the Financial Statements should disclose the following for insured OPEB plans (GASB P50.124): 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 *****				
S90a.	The Notes to the Financial Statements should disclose the following information relating to risk financing activities (GASB C50.144; GAAFR, pages 228-229):	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S90b.	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		
S90c.	A description of significant reductions in insurance coverage from coverage in the prior year by major category of risk.	2		
S90d.	Whether the amount of settlements exceeded insurance coverage for each of the past three years.	2		
S90e.	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		
S90f 1.	If the government retains the risk of loss:	2		
S90f 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		
S90f 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		
S90f 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		
S90f 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		
S91a.	The Notes to the Financial Statements should disclose the following information regarding landfill closure and postclosure care (GASB L10.115; GAAFR, page 237):	2		
S91b.	The nature and source of landfill closure and postclosure care requirements (federal, state, or local laws or regulations).	2		
S91c.	That recognition of a liability for closure and postclosure care costs is based on landfill capacity used to date.	2		
S91d.	The reported liability for closure and postclosure care at the balance sheet date (if not apparent from the financial statements).	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S91e.	The estimated total current cost of closure and postclosure care remaining to be recognized.	2		
S91f.	The percentage of landfill capacity used to date.	2		
S91g.	The estimated remaining landfill life in years.	2		
S91h.	How closure and postclosure care financial assurance requirements, if any, are being met.	2		
S91i.	Any assets restricted for payment of closure and postclosure care costs (if not apparent from the financial statements).	2		
S91j.	The nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations.	2		
S92a.	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 230-231): <i>(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)</i>	2		
S92b.	Types of goods or services provided.	2		
S92c.	Condensed statement of net assets: 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 liabilities - distinguishing between current and long-term amounts. Amounts payable to other funds or component units should be reported separately. 3. Total net assets - distinguishing amount restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S92d.	<p>Condensed statement of revenues, expenses, and changes in net assets:</p> <ol style="list-style-type: none"> 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 assets. 9. Beginning net assets. 10. Ending net assets. 	2		
S92e.	<p>Condensed statement of cash flows:</p> <ol style="list-style-type: none"> 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		
S93.	<p>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)</p>	3		
S94.	<p>The Notes to the Financial Statements should disclose significant contingent liabilities. (GASB 2300.106(d), 1500.114; GAAFR, pages 220)</p>	2		
S95.	<p>The Notes to the Financial Statements should disclose significant effects of subsequent events. (GASB 2300.106(f), C50.149; GAAFR, page 221)</p>	2		
S96.	<p>The Notes to the Financial Statements should disclose construction and other significant commitments. (GASB 2300.106(l); GAAFR, page 226)</p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S97a.	<p>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 assets and activities (GASB 2600.109; GAAFR, pages 231-232):</p> <p><i>(Note to reviewer: Determining which component units are "major" should be based on the component unit's significance relative to other component units and the nature and significance of its relationship to the primary government (GASB 2600.108))</i></p>	2		
S97b.	<p>Condensed statement of net assets:</p> <ol style="list-style-type: none"> 1. Total assets- distinguishing between capital and other assets. Amounts receivable from the primary government or from other component units should be reported separately 2. Total liabilities - distinguishing between long-term debt outstanding and other liabilities. Amounts payable to the primary government or to other component units should be reported separately. 3. Total net assets – distinguishing between restricted, unrestricted, and amounts invested in capital assets, net of related debt. 	2		
S97c.	<p>Condensed statement of activities:</p> <ol style="list-style-type: none"> 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 assets 9. Beginning net assets 10. Ending net assets <p><i>(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 assets format with the combined totals recast into the reporting entity's statement of activities. (Comprehensive Implementation Guide, Question 4.28.20))</i></p>	2		
S98.	<p>The Notes to the Financial Statements should disclose the nature of its accountability for related organizations. (GASB 2300.107(f), 2600.127; GAAFR, pages 200 and 232)</p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S99.	<p>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 233):</p> <p>a. A general description of each joint venture, including:</p> <p>(1) a description of the participating government’s ongoing financial interest or ongoing financial responsibility.</p> <p>(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.</p> <p>(3) information about the availability of separate financial statements of the joint venture</p> <p>b. Information on related party transactions involving the joint venture.</p> <p><i>(Note to Reviewer: If a local government is a member of a Regional Development Center, the appropriate disclosure should be provided.)</i></p>	2		
S100.	<p>The Notes to the Financial Statements should disclose the amount of the primary government’s net assets at the end of the reporting period that are restricted by enabling legislation. (GASB 1800.134, 2200.119, 2300.107)</p>	2		
S101.	<p>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)</p> <p><i>(Note to Reviewer: GASB Comprehensive Implementation Guide, Question Z47.1 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.)</i></p>	2		
S102.	<p>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)</p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S103.	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)	2		
S104.	The Notes to the Financial Statements should disclose if a termination benefit that otherwise meets the recognition criteria of GASB Statement 47, <i>Accounting for Termination Benefits</i> , is not recognized because the expected benefits are not estimable. (GASB T25.117)	2		
S105.	<p>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:</p> <ul style="list-style-type: none"> 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. <p>(GASB 2300.122, S20.118)</p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
S106.	<p>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:</p> <ul style="list-style-type: none"> 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. <p>(GASB 2300.123, S20.119)</p>	2		
S107.	<p>The Notes to the Financial Statements should disclose the following for recognized pollution remediation liabilities:</p> <ul style="list-style-type: none"> 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 <p>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.</p> <p>(GASB Statement No. 49, paragraphs 25 and 26) <i>(Note to Reviewer: The requirements of Statement No. 49 are effective for financial statements for periods beginning after December 15, 2007.)</i></p>	2		
Required Supplemental Information				
T1.	<p>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.</p> <p>(GASB 2200.181)</p>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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, .181; GAAFR, page151)	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, 2200.182, 2400.102; GAAFR, pages 149, 181, 296, and 368)	3		
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 <i>schedules</i> rather than <i>statements</i> . (GASB 2400.102; GAAFR, pages 181 and 296)	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, 2200.182; GAAFR, pages 149, 182) <i>(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.)</i>	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 181)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 2200.182, 2400.102; GAAFR, page 182)	3		
T10.	The variance column on the budgetary schedule should not be captioned <i>favorable/unfavorable</i> . (GAAFR, page 182) <i>(Note to reviewer: GAAFR, page 182 recommends captioning the variance column as over/under.)</i>	3		
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 2200.183, 2400.103; GAAFR, pages 183 and 205)	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 205)	3		
T13.	The Notes to RSI should disclose excesses of expenditures over appropriations in individual funds presented in the budgetary comparison schedule. (GASB 2200.183, 2400.103; Comprehensive Implementation Guide, Question 7.93.2; GAAFR, page 205)	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 205-206) <i>(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; GAAFR, pages 205-206))</i>	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, page 297): 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.	<p>Governments that use the modified approach for infrastructure assets should disclose the following in the notes to RSI (GASB 1400.119; GAAFR, pages 297-298):</p> <ol style="list-style-type: none"> The basis for the condition measurement and the measurement scale used to assess and report condition. For example, a basis for <i>condition measurement</i> could be distresses found in pavement surfaces. A <i>scale</i> used to assess and report condition could range from zero for a failed pavement to 100 for a pavement in perfect condition. The condition level at which the government intends to preserve its eligible infrastructure assets reported using the modified approach. 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. 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 2200.184; GAAFR, pages 299-301)	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 2200.184; GAAFR, pages 299-301)	2 - 3		
U3.	A combining statement of net assets 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 2200.184; GAAFR, pages 299-301)	2 - 3		
U4.	A combining statement of revenues, expenses and changes in fund net assets 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 2200.184; GAAFR, pages 299-301)	2 - 3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 2200.184; GAAFR, pages 299-301)	2 - 3		
U6.	A combining statement of fiduciary net assets should be presented for all fiduciary funds where more than one individual fund is reported on the face of the fund financial statements. (GASB 2200.184; GAAFR, pages 299-301)	2 - 3		
U7.	A combining statement of changes in fiduciary net assets should be presented for all fiduciary funds where more than one individual fund is reported on the face of the fund financial statements. (GASB 2200.184; GAAFR, pages 299-301)	2 - 3		
U8.	A combining statement of changes in assets and liabilities should be presented for all agency funds. (GASB 2200.184) <i>(Note to Reviewer: GAAFR, page 300, footnote 46 states “note that this requirement applies even if there is only a single agency fund, in which case the information would be presented as an individual fund rather than as a combining statement”.)</i>	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 2200.185, 2600.108)	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 2200.184)	2 - 3		
U11.	Combining and individual fund presentations should not refer to the notes to the financial statements if they are covered by an <i>in-relation-to</i> opinion from the independent auditor. (GAAFR, page 303)	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 302) <i>(Note to Reviewer: GAAFR, page 302, footnote 52 states that “the requirement to present the original budget in addition to the final amended budget applies only to the budgetary comparisons presented for the general fund and major special revenue funds in connection with the basic financial statements”.)</i>	2 - 3		
U13.	Budgetary comparisons included in the combining and individual fund section should be described as schedules rather than as statements. (GAAFR, page 302)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Report Required for Audits Performed in Accordance With Government Auditing Standards				
<i>(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.)</i>				
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 4.26):	1		
V1b.	a statement that the auditor has audited the financial statements of the auditee and a reference to the auditor's report on the financial statements, including a description of any departure from the standard report. Example 4-3, Footnote 25 indicates that departures include a qualified opinion, a modification as to consistency because of a change in accounting principle, or a reference to the report of other auditors. Footnote 24 specifies that the reference to financial statements should reflect the opinion units that have been reported on. <i>(Note to Reviewer: Footnote 24 includes the following example language: We have audited the 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 Example Entity as of and for the year ended June 30, 20X1, which collectively comprise Example Entity's basic financial statements and have issued our report thereon dated August 15, 20X1.)</i>	2		
V1c.	a statement that the audit was conducted in accordance with GAAS (generally accepted auditing standards) 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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
V1d.	<p>a statement that in planning and performing the audit, the auditor considered the auditee's internal control over financial reporting in order to determine the auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control over financial reporting, and accordingly, does not express an opinion on the effectiveness of the auditee's internal control over financial reporting. Example 4-3, Footnote 24 indicates that, since the auditor provides an opinion on each opinion unit, the reference to the opinion on the financial statements should be plural.</p> <p><i>(Note to Reviewer: Footnote 24 includes the following example language: In planning and performing our audit, we considered Example Entity's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting.)</i></p>	2		
V1e.	<p>the definition of control deficiency and significant deficiency. If applicable, a statement that deficiencies were identified that are considered to be significant deficiencies in internal control over financial reporting.</p>	2		
V1f.	<p>a statement that the auditor's consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be significant deficiencies or material weaknesses; if significant deficiencies are noted, a statement that certain deficiencies in internal control over financial reporting were identified that the auditor considers to be significant deficiencies.</p>	2		
V1g.	<p>if applicable, a description of the significant deficiencies identified (including the views of responsible officials and their planned corrective action) or a reference to a separate schedule in which significant deficiencies, views of responsible officials, and their planned corrective action are described.</p> <p><i>(Note to Reviewer: AAG-SLA, par. 4.51, Example 4-5, Footnote 57 states that, for an audit in accordance with Circular A-133, all findings, including those required to be reported under Government Auditing Standards, should be included in the schedule of findings and questioned costs.)</i></p>	1		
V1h.	<p>the definition of a material weakness.</p>	2		
V1i.	<p>if no significant deficiencies are identified, a statement that no material weaknesses were noted. If significant deficiencies are noted, a statement that the auditor's consideration of internal control over financial reporting would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and a statement about whether the auditor believes any of the significant deficiencies noted are material weaknesses.</p>	1		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
V1j.	a statement that as part of obtaining reasonable assurance about whether the auditee's financial statements are free of material misstatement, the auditor performed tests of the auditee's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.	2		
V1k.	a statement that providing an opinion on compliance with those provisions was not an objective of the audit and that, accordingly, the auditor does not express such an opinion.	2		
V1l.	a statement that notes whether the results of tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and, if they are, describes the instances of noncompliance or other matters (including the views of responsible officials and their planned corrective action) or refers to a separate schedule in which their noncompliance and other matters, views of responsible officials and their planned corrective action plan are described. <i>(Note to Reviewer: See AAG-SLA 4.15 for a discussion of noncompliance matters that need to be reported.)</i>	1		
V1m.	when the views of responsible officials are included (auditee's written response), a statement should be included that the auditor did not audit the auditee's response and, accordingly, expresses no opinion on it.	2		
V1n.	if applicable, a statement that additional matters were communicated to the auditee in a management letter.	2		
V1o.	a separate paragraph at the end of the report stating that the report is intended solely for the information and use of management, <i>[identifying the body or individuals charged with governance]</i> , others within the entity, and <i>[identifying the legislative or regulatory body]</i> , and is not intended to be and should not be used by anyone other than these specified parties.	2		
V1p.	the manual or printed signature of the auditor's firm.	1		
V1q.	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 <u>Audit Guide: Government Auditing Standards and Circular A-133 Audits</u> recommends combining into one report the reporting required by Government Auditing Standards on the scope and results of the auditor's 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, paragraph 4.25)	3		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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.	For an audit that is subject to Circular A-133, federal awarding agencies and pass-through entities should be included as specified users of the <u>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.</u> (AAG-SLA 4.26(m))	2		
V5.	The reference in AAG-SLA paragraph 4.26 to "specified legislative and regulatory bodies" in the <u>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</u> is intended to satisfy the provisions of SAS 87. This Standard indicates that an auditor's report that is restricted as to use should contain a separate paragraph at the end of the report that includes an identification of the specified parties to whom use is restricted. The phrase "specified legislative and regulatory bodies" should be replaced by the actual name of these parties. (AU 532.19) <i>(Note to Reviewer: Footnote 8 states "the report may list the specified parties or refer the reader to the specified parties listed elsewhere in the report. For reports on engagements performed in accordance with OMB Circular A-133, the specified parties may be identified as "federal awarding agencies and pass-through entities".)</i>	2		
V6.	Circular A-133 requires the schedule of findings and questioned costs to include all findings, including those required to be reported under <i>Government Auditing Standards</i> . 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 <i>Government Auditing Standards</i> . (AAG-SLA 12.17)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 5.07) The following information should be included in the audit report or submitted to the State Auditor under separate cover. (AAG-SLA 12.05 – 12.09)	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 Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with Circular A-133	1		
	<i>(Note to Reviewer: AAG-SLA, paragraph 5.38 states that Circular A-133 requires the auditee to complete and sign certain sections of a data collection form that states whether the audit was completed in accordance with Circular A-133 and 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, including information on the auditor and information on the results of the financial statement audit and the audit of federal programs. Additional guidance for auditors is included in chapter 12 of the Audit Guide.)</i>			
W2a.	The following information should be included in the Schedule of Expenditures of Federal Awards (AAG-SLA 7.06):	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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W2g.	<p>the total amount provided to subrecipients by pass-through entities from each federal program (see AAG-SLA, chapter 11 for a further discussion of the audit consideration of federal pass-through awards) <i>(Note 1 to Reviewer: AAG-SLA 11.36 states, in part “if a pass-through entity is unable to identify amounts provided to subrecipients, the auditor should consider whether a significant deficiency (and possibly a material weakness) should be reported. The auditor should also consider whether material noncompliance (for subrecipient monitoring) has occurred which should be reported as an audit finding.)</i> <i>(Note 2 to Reviewer: AAG-SLA 7.16, footnote 6 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.)</i></p>	2		
W2h.	<p>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. <i>(Note to Reviewer: See AAG-SLA 7.15 which states, in part, “in determining the value of total non-cash awards expended for loans and loan guarantees, the balances of loans from previous years are required to be included in the schedule if the federal government imposes continuing compliance requirements.... The auditor should consider contacting the federal agency’s Office of Inspector General for assistance in determining whether continuing compliance requirements are significant enough to require inclusion of the balances of prior loans or loan guarantees.)</i></p>	2		
W3a.	The Summary Schedule of Prior Audit Findings should (AAG-SLA 5.33 and 12.41):	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.	<p>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 12.31):</p> <ul style="list-style-type: none"> 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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 12.40)	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 12.32):	2		
W6b.	the type of report the auditor issued on the financial statements of the auditee (that is, unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion) <i>(Note to Reviewer: Footnote 19 to AAG-SLA,, par. 12.32 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".)</i>	2		
W6c.	where applicable, a statement that significant deficiencies in internal control were disclosed by the audit of the financial statements and whether any such deficiencies were material weaknesses	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 in the internal control over major programs were disclosed by the audit and whether any such deficiencies were material weaknesses	2		
W6f.	the type of report the auditor issued on compliance for major programs (that is, unqualified 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 <i>(Note to Reviewer: See also AAG-SLA 12.35)</i>	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 <i>(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.)</i>	2		
W6j.	a statement on whether the auditee qualified as a low-risk auditee under section 530 of Circular A-133	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W7.	SAS No. 112, <i>Communicating Internal Control Related Matters Identified in an Audit</i> , precludes an auditor from issuing a written report representing that no significant deficiencies were noted during an audit. Therefore, 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 instead of using the term “none” which would imply that there were no significant deficiencies. (AU 325.29; AAG-SLA 12.32 footnote 20) (<i>Note to Reviewer: See W6c and W6e above</i>)	3		
W8a.	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. Those findings are: (AAG-SLA 12.33 to 12.34)	2		
W8b.	Significant deficiencies in internal control over financial reporting	2		
W8c.	all instances of fraud and illegal acts unless clearly inconsequential, except for fraud and illegal acts involving federal awards that are subject to Circular A-133 reporting and that are not material to financial statement amounts	2		
W8d.	material violations of provisions of contracts and grant agreements	2		
W8e	material abuse	2		
W9a.	Paragraphs 5.14 and 5.18 (paragraph 5.22 of 2007 revision) of Government Auditing Standards require auditors place the findings in proper perspective (or context). To give the reader a basis for judging the prevalence and consequences of these findings, auditors should, as applicable, 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, as appropriate. If the results cannot be projected, auditors should limit their conclusions appropriately. (<i>Note to Reviewer: See also AAG-SLA 4.30-4.31.</i>)	2		
W9b.	The 2007 revision of Government Auditing Standards requires that, in presenting findings such as deficiencies in internal control, fraud, illegal acts, violations of provisions of contracts or grant agreements, and abuse, auditors should develop the elements of the findings to the extent necessary to achieve the audit objectives. The elements of an audit finding are: criteria, condition, cause, and effect or potential effect. If auditors sufficiently develop the elements of a finding, they may provide recommendations for corrective action. (2007 GAS, paragraph 5.21)	2		
W10.	If the auditor’s report includes findings, paragraph 5.26 (paragraph 5.32 of the 2007 revision) of Government Auditing Standards requires auditors to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as planned corrective actions. (AAG-SLA 4.33)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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 12.32)	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 12.35):	2		
W12 b.	significant deficiencies in the internal control over major programs	2		
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		
W12 f.	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 unqualified 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		
W12 i.	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		
W13 a.	The auditor's standard report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133 should include (AAG-SLA, paragraph 12.23):	2		
W13 b.	a statement that the auditor has audited the compliance of the auditee with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that are applicable to each of its major programs	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W13 c.	a statement that the auditee's major programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs	2		
W13 d.	a statement that compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the auditee's major federal programs is the responsibility of the auditee's management, and that the auditor's responsibility is to express an opinion on the auditee's compliance based on the audit	2		
W13 e.	a statement that the audit of compliance was conducted in accordance with GAAS (generally accepted auditing standards) 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), 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		
W13 f.	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		
W13 g.	a statement that an audit includes examining, on a test basis, evidence about the auditee's compliance with those requirements and performing such other procedures as the auditor considered necessary in the circumstances	2		
W13 h.	a statement that the auditor believes the audit provides a reasonable basis for the auditor's opinion	2		
W13 i.	a statement that the audit does not provide a legal determination of the auditee's compliance with those requirements	2		
W13 j.	if instances of noncompliance are noted that result in an opinion modification, a reference to a description in the accompanying schedule of findings and questioned costs, including: <ul style="list-style-type: none"> a. the reference number(s) of the finding(s) b. an identification of the type(s) of compliance requirements and related major program(s) c. 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		
W13 k.	an opinion on whether the auditee complied, in all material respects, with the types of compliance requirements that are applicable to each of its major federal programs	2		
W13 l.	if applicable, a statement that the results of the auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with Circular A-133 and a reference to the schedule of findings and questioned costs in which they are described	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W13 m.	a statement that the auditee's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs	2		
W13 n.	a statement that in planning and performing the audit, the auditor considered the auditee's internal control over compliance with requirements that could have a direct and material effect on a major federal program, to determine the auditing procedures for the purpose of expressing an opinion on compliance but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance	2		
W13 o.	the definition of control deficiency and significant deficiency. If applicable, a statement that deficiencies were identified that are considered to be significant deficiencies in internal control over compliance.	2		
W13 p.	if applicable, a reference to a description of the significant deficiencies identified in the accompanying schedule of findings and questioned costs, including the reference number of the finding(s)	2		
W13 q.	if no significant deficiencies are identified, a statement that the auditor's consideration of the internal control over compliance would not necessarily disclose all matters in internal control that might be significant deficiencies or material weaknesses	2		
W13 r.	if significant deficiencies are identified, a statement that the auditor's consideration of internal control over compliance would not necessarily disclose all matters in the internal control that might be significant deficiencies or material weaknesses and a statement that certain deficiencies were identified that are considered to be significant deficiencies (and, if applicable, material weaknesses)	2		
W13 s.	the definition of a material weakness	2		
W13 t.	if applicable, a statement about whether the auditor believes any of the significant deficiencies identified are material weaknesses and, if they are, a reference to a description of the material weaknesses in the schedule of findings and questioned costs, including the reference number of the finding(s).	2		
W13 u.	if there are no significant deficiencies identified, a statement is made that no material weaknesses were identified.	2		
W13 v.	if applicable, a statement that the auditee's response to the findings identified in the audit are described in the accompanying schedule of findings and questioned costs, and that the auditor did not audit the auditee's response and, accordingly, expresses no opinion on it. <i>(Note to Reviewer: Footnote 11 of Example 13-2 of AAG-SLA, par. 13.16 states that "if there are no findings referred to in this report (or identified in the schedule of findings and questioned costs, this paragraph should be omitted".)</i>	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
W13 w.	a separate paragraph at the end of the report stating that the report is intended solely for the information and use of [<i>identify the body or individuals charged with governance</i>], others within the entity, [<i>identify the legislative or regulatory body</i>], federal awarding agencies and (if applicable) pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.	2		
W13x	the manual or printed signature of the auditor's firm	1		
W13y	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 12.24)	2		
W15.	The reference in AAG-SLA, paragraph 12.23 to "specified legislative and regulatory bodies" in the <u>Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with Circular A-133</u> is intended to satisfy the provisions of SAS 87. This Standard indicates that an auditor's report that is restricted as to use should contain a separate paragraph at the end of the report that includes an identification of the specified parties to whom use is restricted. The phrase "specified legislative and regulatory bodies" should be replaced by the actual name of these parties. (AU 532.19)	2		
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		
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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
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		
X1e.	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		
X2.	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)] <i>(Note to Reviewer: Further guidance can be found on the Department of Community Affairs website.)</i>	1		
X3.	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		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
X4.	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		
X5.	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 file an annual report of its collections and expenditures in conjunction with the annual audit required under Code Section 36-81-7. The annual report shall require certification by the recipient local government and by the local government auditor that 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 and auditor certification can be found on our website at https://www.audits.state.ga.us/internet/nalgad/2006_Changes.html .)	1		
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: <i>(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)</i>	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		
Single Audit Review				
Threshold not computed correctly:				
Z1a.	The larger federal programs are labeled as type A. The criteria that Circular A-133 establishes for identifying Type A programs are presented in table 9.1. Federal programs that do not meet the type A criteria are considered type B programs. (AAG-SLA 9.04 to 9.06)	2		

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Z1b.	When total federal awards expended are more than or equal to \$300,000 and less than or equal to, \$100 million a Type A program is any program with federal awards expended that exceed the larger of \$300,000 or 3% (0.03) of federal awards expended. (AAG-SLA, table 9.1)	2		
Z1c.	When total federal awards expended are more than \$100 million and less than or equal to \$10 billion a Type A program is any program with federal awards expended that exceed the larger of \$3 million or 0.3% (0.003) of federal awards expended. (AAG-SLA, table 9.1)	2		
Z1d.	When total federal awards expended are more than \$10 billion a Type A program is any program with federal awards expended that exceed the larger of \$30 million or 0.15% (0.0015) of federal awards expended. (AAG-SLA, table 9.1)	2		
Percentage of coverage not met:				
Z2.	Circular A-133 requires the auditor to audit, as major programs, federal programs with federal awards expended that, in the aggregate, encompass at least 50 percent of the total federal awards expended. However, if the auditee meets the criteria for a low-risk auditee, the auditor is only required to audit as major programs federal programs with federal awards expended that, in the aggregate, encompass at least 25 percent of the total federal awards expended. To comply with this requirement, the auditor should compute the total federal awards expended for the major programs as a percentage of the total federal awards expended. If the total does not equal 50 percent (or 25 percent in the case of a low-risk auditee) of the total federal awards expended, the auditor should select additional programs (either type A or type B) to equal 50 percent (or 25 percent in the case of a low-risk auditee) and test them as major programs. The selection of additional programs to meet the percentage of coverage is based on the auditor's professional judgment. When selecting additional programs to meet the percentage-of-coverage rule, the auditor may select programs without regard to risk assessment. If loans or loan guarantees are major programs, these programs may be used for purposes of meeting the percentage-of-coverage rule. Furthermore, when a federal agency or pass-through entity requests and pays for a program to be audited as major, that program may also be used for purposes of meeting the percentage-of-coverage rule. (AAG-SLA, paragraph 9.24)	2		
Improper program clustering:				

Item No.	Criteria	*	(Sec. S Only) Note #	Correct Incorrect N/A
Z3.	OMB Circular A-133 defines a cluster of programs as a grouping of closely related federal programs that share common compliance requirements. The types of clusters of programs are Research & Development (R&D), student financial aid (SFA), and other clusters. "Other clusters" are defined by the OMB in the Compliance Supplement or are designated as such by a state for the federal awards the state provides to its subrecipients that meet the definition of a cluster of programs. When a state designates federal awards as an "other cluster," it must also identify the federal awards included in the cluster and advise the subrecipients of the compliance requirements applicable to the cluster. A cluster of programs should be considered as one program for determining major programs. (AAG-SLA 5.30)	2		
	<i>Information on the program clusters can be found in the A-133 Compliance Supplement, Part 5. This information can be found at http://www.whitehouse.gov/omb/circulars/a133_compliance/08/08toc.html.</i>			
Type A programs not audited in a three year period:				
Z4.	Type A programs may generally be considered low-risk if both of the following conditions are met: (a) the program has been audited as a major program in at least one of the two most recent audit periods, and (b) in the most recent audit period, the program had no audit findings (Chapter 12, "Auditor Reporting Requirements and Other Communication Considerations in a Single Audit," of this Audit Guide discusses the situations that Circular A-133 requires the auditor to report as audit findings). (AAG-SLA 9.11)	2		
Not implementing risk based approach:				
Z5a.	The auditor's determination of the programs to be audited is based on an evaluation of the risk of noncompliance occurring that could be material to an individual major federal program. In evaluating such risk, the auditor considers, among other things, the current and prior audit experience with the auditee, the oversight exercised by federal agencies and pass-through entities, and the inherent risk of the federal programs. The auditor should use professional judgment and the guidance in sections 520, 525, and 530 of Circular A-133 in the risk assessment process. In addition, the auditor should consider the need to discuss the nature of federal programs with the management of the auditee and of the federal or state agency that provided the funds to the auditee. (AAG-SLA 9.02)	2		
Z5b.	The same federal programs were audited in the past three years.	2		
Z5c.	No type B programs were audited in the past three years.	2		
Z5d.	Excessive number or programs audited. (i.e., all type A programs audited)	2		

END OF CHECKLIST