

ILLINOIS CPA SOCIETY

Governmental Report Review Program

**2015 Review Session Check List for
Local Education Agencies -
Regulatory Basis Financial Statements**

Revised 10/28/15

Circle location:
Springfield
Chicago

Your Name _____

Report # _____

The Illinois CPA Society's Governmental Report Review Committee has adapted the Government Finance Officers Association's *General Purpose Checklist-New Financial Reporting Model* ©2001, 2006, 2008 & 2015 (designed for its Certificate of Achievement for Excellence in Financial Reporting Program; used with permission) for its own use in fulfilling its mission to improve governmental financial accounting and reporting by Illinois CPAs.

This checklist was prepared by Committee member Tim Custis, CPA, a Principal with Gorenz & Associates, Ltd. in Peoria, Illinois. Please send comments and suggestions to tcustis@gorenzcpa.com. The Society would like to thank the current and former members of the Governmental Report Review Committee for their assistance and contributions to and this particular checklist.

This review consists of five stages: I. Overall cursory review (for order and completeness); II. Detailed statement and note review (page by page); III. The Independent Auditors' Report; IV. Wrap-up or general questions, based on I thru III, is the report complete and correct? And V – Third Review – Overall Evaluation.

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Referencing – For each answer, please note the page number(s) in the report that you relied on in answering the question.

Abbreviations Used in this Checklist

APB-Accounting Principles Board [reference by opinion number and paragraph]

ASLGU-AICPA'S "Audit and Accounting Guide – Audits of State and Local Governmental Units" (2002)

AU-Sections of the AICPA's "Codification of Statements on Auditing Standards"

AU-C - Sections of the AICPA's "Clarified Codification of Statements on Auditing Standards"

FASB-Financial Accounting Standards Board

FASBS-FASB Statement [reference by statement number and paragraph]

GAAFR-*Governmental Accounting, Auditing and Financial Reporting* (2001 edition) [reference by page number]

GAAP-Accounting Principles Generally Accepted in the United States

GAAS-Generally Accepted Auditing Standards in the United States

GAGAS- Generally Accepted Governmental Auditing Standards in the United States

GASB-Governmental Accounting Standards Board

GASBI-GASB Interpretation [reference by interpretation number and paragraph]

GASBS-GASB Statement [reference by statement number and paragraph]

MD&A-Management's discussion and analysis

OI – Other Information

Q&A-GASB Implementation Guide [reference by question number]

RSI-Required supplementary information

SSAP- Statement of Significant Accounting Policies

SGP-Not required for special-purpose governments engaged in a single governmental program

NCGAI-National Council on Governmental Accounting Interpretation [reference by interpretation number and paragraph]

NCGAS-National Council on Governmental Accounting Statement [reference by statement number and paragraph]

TB-GASB Technical Bulletin [reference by number]

STAGE I – OVERALL REVIEW FOR ORDER AND COMPLETENESS

REPORT COVER & TITLE PAGE

- 1.1 Does the report cover describe the document as an “annual financial report” or some other properly descriptive title? _____
- 1.2 Does the report cover include the name of the government? _____
- 1.3 In the case of governments other than states, does the report cover include the name of the state within which the government is located? _____
- 1.4 Does the report cover indicate the fiscal period covered? (If the title is an “annual report” simply a date is acceptable.) _____

TABLE OF CONTENTS

- 1.10 Is a table of contents included that encompasses the entire report?
[NCGAS1: 139] _____

Check the table of contents titles and page numbers to the page numbers in the report for each of the following major and minor sections (in the following order). As each page is looked at, keep General Questions 1.50 – 1.59 (below) in mind:

- 1.11 Is the Independent auditor’s Report presented as the first item in the financial section of the report? _____

Is a full set of regulatory basic financial statements presented? Specifically, are the following presented (if applicable):

- 1.13 Statement of Assets and Liabilities Arising from Cash Transactions (Cash Basis) or Statement of Position (Modified Accrual) - Regulatory Basis A _____
- 1.14 Statement of Revenues Received/Revenues, Expenditures Disbursed/Expenditures, Other Sources (Uses) and Changes in Fund Balances (All Funds) A _____
- 1.15 Statement of Revenues Received/Revenues (All Funds)? A _____
- 1.16 Statement of Expenditures Disbursed/Expenditures Budget to Actual (All Funds) A _____
- 1.17 Are all financial statements included in the report designed to follow the regulatory reporting financial statements of ISBE Form 50-35?
Specify any exceptions: A _____
- 1.23 Do the titles on the basic statements accurately describe the presentation? (i.e., basis of accounting utilized) _____
- 1.25 Do the statements include a separate column for each fund in use? _____

GENERAL QUESTIONS

- 1.31 Does the government present a Statement of Significant Accounting Policies (SSAP) either as the first of the notes to the financial statements or as a separate item immediately preceding the notes? [NCGAS1: 158] _____
- 1.34 If presented, is all OI (typically this would include GAAP required information about the modified approach for reporting infrastructure assets and employee benefit related information) located immediately following the notes to the financial statements? [GASBS34: 6c; GASB Cod. 2200.178] _____
- 1.50 Does the table of contents identify each statement and schedule by its full title? _____
- 1.51 Does the table of contents include a page number reference for each item? _____
- 1.52 Do all of the basic financial statements include a reference to the notes? (i.e. a footer stating “The notes are an integral part of these statements.”) _____
- 1.57 If numbers are rounded to the nearest thousand dollars on a statement or schedule, does the statement or schedule clearly indicate this fact? _____
- 1.58 If numbers are rounded to the nearest thousand dollars in the notes to the financial statements, do the notes clearly indicate this fact? _____
- 1.59 If the government has presented a total column in the basic statements has it labeled the column “memorandum only” and explained in the notes? (ISBE Form 50-35 only has total columns on the expenditures pages, if the AFR is bound these columns do not need to be marked as “memorandum only”.) _____

STAGE II – DETAILED REVIEW OF STATEMENTS & NOTES

FINANCIAL SECTION – BASIC FINANCIAL STATEMENTS

GENERAL CONSIDERATIONS

- 2.90 If there are general fixed assets, is there a separate column for the General Fixed Assets Account Group? [Generally, there should be general fixed assets. It is not likely that the answer is N/A.] D _____
- 2.91 Do inter-fund receivables equal inter-fund payables? Consider governmental, and fiduciary funds. D _____
- 2.92 If there are transfers between funds, do they equal? Or is there a detailed note disclosure explaining why they don't? D _____
- 2.93 Has the government refrained from reporting overdrafts of pooled cash and investments as a negative asset balance (i.e., *negative cash*)? [AUDIT 7.07] _____
- 2.94 If there is general long-term debt or other long-term liabilities, is there a separate column for the General Long-Term Debt Account Group? (Hint: review the notes and schedules, e.g. are there capital leases?) _____
- 2.101 Is each fund reported in a separate column? [GASBS34: 75-6] B _____

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES –
REGULATORY BASIS - GOVERNMENTAL FUNDS**

2.106	Has the government refrained from reporting non-financial assets (e.g., capital assets used in operations rather than held for resale, intangibles, a negative net pension obligation)? [GASBS34: 83]	B	_____	_____	_____	_____
2.113	Is a subtotal reported for “total current liabilities” and “total long-term liabilities”?		_____	_____	_____	_____
2.114	Is the difference between assets and liabilities labeled <i>fund balance</i> ? [GASBS34: 83-4]	D	_____	_____	_____	_____
2.115	Is <i>reserved fund balance</i> reported separately from <i>unreserved fund balance</i> ? [NCGAS1: 118]	D	_____	_____	_____	_____
2.116	Is <i>reserved fund balance</i> reported in sufficient detail to demonstrate the purpose of reserved amounts (if not disclosed in the notes)?	D	_____	_____	_____	_____
2.118	Has the government refrained from reporting a reserved fund balance in connection with self-imposed restrictions (other than those associated with enabling legislation or constitutional provisions)?	D	_____	_____	_____	_____
2.120	Has the government refrained from reporting <i>reserved fund balance</i> as a negative amount?	D	_____	_____	_____	_____
2.121	Does the presentation refrain from using the term “reserve” on the asset side of the statement?	D	_____	_____	_____	_____
2.122	If there are non-asset "other debits," are they referred to as "Amounts available ..." and/or "Amounts to be provided ..." so that it is clear that they do not represent assets? Specify any exceptions:		_____	_____	_____	_____
2.123	If question 2.122 was answered "yes" or "no," does the presentation refrain from reporting non-asset "other debits" in columns other than the General Long-Term Debt Account Group?		_____	_____	_____	_____
2.124	If reverse repurchase agreements are outstanding at year end, are "obligations under reverse repurchase agreements" reported as a liability with the underlying securities being reported as "investments"?		_____	_____	_____	_____
2.125	If fixed assets are presented, does the presentation refrain from reporting them in columns other than: Trust and Agency Funds and the General Fixed Assets Account Group?	D	_____	_____	_____	_____
2.126	If there are long-term liabilities (other than revenue anticipation notes), does the presentation refrain from reporting them in columns other than: Trust and Agency, and General Long-Term Debt?		_____	_____	_____	_____
2.127	If there is a General Long-Term Debt Account Group, is interest payable in future years excluded? (Refer to notes and supporting schedules. Are installment contracts limited to principal?)		_____	_____	_____	_____

- 2.128 If **governmental fund tax or revenue anticipation notes** are reported, are they reported as a fund liability in the fund receiving the proceeds? _____
- 2.129 If **governmental fund demand bonds or bond anticipation notes** are reported and if they have been legally refinanced or the intent to refinance is supported by an ability to consummate the refinancing, are they properly reported in the General Long-Term Debt Account Group? _____
- 2.131 If **governmental fund demand bonds or bond anticipation notes** are reported and if the necessary legal steps and the ability to consummate the refinancing criteria have not been met, are they properly reported in the fund receiving the proceeds? _____
- 2.132 Has the "blending" method been used to report component units included within the reporting entity that have a governing board substantively the same as the primary government's or where the component unit provides services entirely or almost entirely to the primary government? (GASB S-14, para. 53; GASB Cod. Sec. 2600.116) _____
- 2.133 Are the terms "due from other funds," "due to other funds," "interfund payables," "interfund receivables," "advances to other funds," and "advance from other funds" used only to refer to transactions between funds of the primary government (including blended component units)? (GASB S-14, para. 57) _____

**STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCES –ALL FUNDS**

- 2.140 Does the format of the statement present items in the following order: revenues received; expenditures disbursed; excess (deficiency) of revenues received over (under) expenditures disbursed; other financing sources and uses; special items; extraordinary items; and net changes in fund balances? [GASBS34: 86] D _____
- 2.141 Are revenues received classified by source (e.g. local sources, state and federal sources)? [GASBS34: 87] D _____
- 2.144 Is the government's recognition of revenues consistent with the cash – (modified cash or modified accrual)-basis as disclosed in the SSAP? _____
- 2.145 Does the statement include a column for each governmental fund in use? _____
- 2.146 Is there only one column for each governmental fund presented? _____
- 2.147 Has the government refrained from reporting negative investment income as an expenditure (instead of as a revenue)? [Q&A31: 71] _____
- 2.150 If the government has issued debt during the period that will be repaid with general government resources, does the government report as an Other financing source an amount equal to the face value of the debt ? [GASBS34:88]D _____
- 2.151 Has the government reported a separate other financing source (use) for premiums (discounts) related to its debt issuance? [GASBS 34:88 Q&A 34(05): 7.307] _____

2.152	Are underwriter and similar fees withheld from debt proceeds reported as an expenditure? [GASBS34: 87]	_____	_____	_____	_____
2.153	Has the government refrained from reporting the issuance of no-commitment special assessment debt as an Other financing source (instead of as a revenue)? [GASBS24: 19]	_____	_____	_____	_____
2.154	Has the government refrained from reporting an Other Financing Source in connection with the issuance of tax anticipation notes, revenue anticipation notes, grant anticipation notes, bond anticipation notes or any other short-term debt that do not meet the criteria of SFAS 6, and demand bonds that do not qualify as long-term liabilities? [GASBI1; NCGAI9: 12] (E)	_____	_____	_____	_____
2.155	If there are new issues of general long-term debt, are proceeds reported separately from fund revenues and classified as "other financing sources"?	_____	_____	_____	_____
2.156	If the government has used a refunding transaction to defease or redeem debt, has it reported the proceeds of the refunding debt as an <i>Other financing source—proceeds of refunding bonds</i> and the application of the proceeds as an <i>Other financing use— payment to refunded bonds escrows agent</i> ? [GASBS7: 8]	_____	_____	_____	_____
2.159	Does the amount reported for total fund balance at the end of the period in the statement of revenues received, expenditures disbursed and changes in fund balance tie to the corresponding amount reported for total fund balance in the fund Statement of Assets, Liabilities and Fund Balances?	_____	_____	_____	_____
2.160	If there are operating interfund transfers, are they reported separately from fund revenues and expenditures and classified as "other financing sources (uses)"? A	_____	_____	_____	_____
2.161	If there are "operating transfers," is that term used only to refer to transfers between funds of the primary government (including blended component units)?	_____	_____	_____	_____
2.162	If reverse repurchase agreements were outstanding during the fiscal year, are gross amounts of related interest earnings and expenditures reported separately rather than being reported as one net amount? (GASB Cod. Sec. I50.113)	_____	_____	_____	_____
2.163	Are "changes in fund equity" and "results of operations" reported on the same "all-inclusive" statement?	_____	_____	_____	_____

STATEMENT OF REVENUES RECEIVED/REVENUES – ALL FUNDS

2.165	Is the title consistent with the presentation? (i.e., with the columns presented and the basis of accounting utilized.)	_____	_____	_____	_____
2.166	If there is more than one column, are columns properly captioned with fund titles?	_____	_____	_____	_____
2.167	Are revenues received classified by source (i.e., property taxes, fees and fines, licenses and permits, etc.)? [GASBS34: 87]	_____	_____	_____	_____
2.168	Are revenue classifications sufficiently detailed to be meaningful?	_____	_____	_____	_____

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES,
BUDGET TO ACTUAL—ALL FUNDS**

2.169	Is the title consistent with the presentation? (i.e., with the columns presented and the basis of accounting utilized.)		_____	_____	_____	_____
2.170	Has the government presented required budgetary comparisons for ALL annually budgeted funds of the primary government? [GASBS34: 130 note 53]	A	_____	_____	_____	_____
2.172	Are there separate statements presented for each annually budgeted fund? [GASBS34: 130]		_____	_____	_____	_____
2.176	If variance columns are presented, has the government captioned the variance columns as "Over (Under) Budget"? (Qualitative descriptions such as "favorable/unfavorable" should not be used.) [GASB Cod. 2400.907] (Note: "Positive/Negative" has been used in GASB examples and should be considered acceptable.)		_____	_____	_____	_____
2.177	Illinois school districts commonly classify expenditures by character. Are current expenditures further classified by function and/or program? (Examples are: Instruction: Regular, Special Ed, etc, Supporting Services: Speech, Improvement of Instruction, etc.)		_____	_____	_____	_____
2.178	Are current expenditures further classified by object? (Salaries, Employees Benefits, Purchased Services, Supplies, Capital Outlay, Transfers, Tuition and Other.)		_____	_____	_____	_____
2.180	Do the notes to the statements disclose the budgetary basis of accounting, if different from GAAP, or state that GAAP serves as the budgetary basis of accounting? [NCGAS 1: 154]		_____	_____	_____	_____
2.181	Do the notes to the statements disclose excesses of expenditures over budget in all annually budgeted funds? [GASBS34: 131; GASBS 37: 19]		_____	_____	_____	_____

**FINANCIAL SECTION – FIDUCIARY FUND
FINANCIAL STATEMENTS**

If the government does not have any fiduciary funds, other than agency funds, go to question 2.256

2.240	Has the government included only fiduciary fund types (i.e., private-purpose trust funds, pension (and other employee benefit) trust funds, investment trust funds, and agency funds) in the Statement of Assets Liabilities and Fund Balances? [GASB Cod. 1300.103c]	B	_____	_____	_____	_____
2.241	Has the government refrained from reporting either expendable trust funds or non-expendable trust funds? [GASBS34: 395, 397]	B	_____	_____	_____	_____
2.242	Are all funds of a given fund type (i.e., pension (and other employee benefit) trust funds; investment trust; private-purpose; agency funds) reported in a single column? [GASBS34: 106]	B	_____	_____	_____	_____
2.243	Has the government refrained from reporting separate columns for fiduciary-type component units? [Q&A 34: 223] (E)		_____	_____	_____	_____

2.244	Has the government refrained from using a fiduciary fund to report resources that are available to support the government’s programs? [GASBS34: 69] (E)	D	_____	_____	_____	_____
2.245	If the government holds resources in trust for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, other post-employment benefit plans, or other employee benefit plans, does it use a pension (and other employee benefit) trust fund for that purpose? [GASBS34; 70]		_____	_____	_____	_____
2.246	If the government sponsors an investment pool in which outside parties participate or maintains individual investment accounts for outside parties, is such activity reported in an investment trust fund? [GASBS34:71; GASBS31:20]		_____	_____	_____	_____
2.247	If the government reports an investment trust fund, has it refrained from including any of its own resources in that fund? [GASBS 31: 14, 18]		_____	_____	_____	_____
2.252	Is the difference between assets and liabilities reported as <i>fund balance</i> ? (If only agency funds are presented this question should be N/A.)		_____	_____	_____	_____
2.253	If a pension (and other employee benefit) trust fund is reported, is the fund balance shown as “Reserved Fund Balance”?		_____	_____	_____	_____
2.255	Has the government refrained from reporting an actuarial accrued liability in a pension (and other employee benefit) trust fund? [GASBS25: 19a]		_____	_____	_____	_____
2.256	Do assets equal liabilities in agency funds? [GASBS 34; 110]		_____	_____	_____	_____

FINANCIAL SECTION – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (SSAP)

Among other matters, the SSAP should address any of the following situations: 1) the selection of an accounting treatment when more than one approach is permitted, 2) accounting practices unique to state and local governments, and 3) unusual or innovative applications of GAAP. [APB 22: 12] Answer Question 4.4 in the Part IV-Wrap-Up section.

FINANCIAL REPORTING ENTITY

2.271	Does the SSAP discuss the financial reporting entity including legally separate, tax-exempt organizations that have significant economic resources for the direct benefit of the primary government? [GASBS 14: 61; GASB 39:5; GASB Cod. 2300.106a(2)]		_____	_____	_____	_____
	If so, does that discussion specifically include the following [GASB Cod. 2300.106a(2)]: If it appears there are no component units, or other includible entities skip to Q. 2.278					
2.272	A description of the component units included in the financial reporting entity?	C	_____	_____	_____	_____
2.273	A description of the relationship between component units and the primary government?		_____	_____	_____	_____
2.274	A discussion of the criteria for including component units?		_____	_____	_____	_____
2.275	A discussion of how each component unit is reported (i.e., blending, discrete presentation, or not presented due to being separately audited)?		_____	_____	_____	_____

2.276 Information on how to obtain the separately issued financial statements of non-blended component units? _____

2.278 If the government itself is a component unit, does the SSAP identify the primary government and describe the nature of the relationship? [GASBS14: 65] _____

2.279 Does the SSAP disclose the relationship that exists between the government and any related organizations whether or not reported as component units? [GASBS14: 68] _____

BASIS OF ACCOUNTING

2.280 Does the SSAP disclose the basis of accounting used in preparing the financial statements? _____

2.281 Does the SSAP describe the revenue recognition (cash basis) policy in governmental funds? [NCGAS1: 69] _____

CAPITAL ASSETS

2.290 Does the SSAP address the government’s accounting policies for capital assets? [GASBS34: 115e] _____

2.291 Does the SSAP disclose the capitalization threshold(s) for capital assets by asset class or type? _____

2.292 Does the SSAP disclose the method(s) used to calculate depreciation expense? [ABB22:12-13] _____

2.293 Does the SSAP disclose the policy for estimating the useful lives of capital assets? _____

2.294 If the government has elected not to capitalize a collection (e.g., art, historical artifacts), do the notes describe the collection and explain the reasons the government has elected not to capitalize it? [GASBS34: 118] _____

OTHER SSAP ITEMS

Preparer Only -

If both restricted and unrestricted resources are to be used for the same purpose (e.g., a construction project), does the SSAP disclose the cash flow assumption used to determine the portion of expenses paid from restricted resources? [GASBS34: 115h]

2.306 Does the SSAP indicate how investments are valued? [APB 22: 12] D _____

2.311 Does the SSAP disclose how inventories are valued? [APB 22: 12] _____

2.312 Does the SSAP disclose the method used to determine the cost of inventories (i.e., specific identification; weighted average; first-in, first-out; last-in, first out)? [APB 22:12-13] _____

2.315 If the government presents internal service funds or fiduciary funds, does the SSAP disclose the specific activities reported in those fund types rather than a generic definition or description? [GASBS38: 6] _____

FINANCIAL SECTION - NOTE DISCLOSURE (OTHER THAN THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PENSION-RELATED DISCLOSURES)

PROPERTY TAX CALENDAR

- 2.320 If property taxes are a major revenue source, do the notes provide information on the property tax calendar (i.e., lien dates, levy dates, due dates, collection dates and the property tax revenue recognition policy)? [NCGAI3: 11; GASB Cod P70.109] D _____
- 2.321 If property taxes were levied, do the notes make clear which annual levy or levies are included in whole or in part as **revenue** in the operating fund statements? (Generally, for most common fiscal years there are two levies, an "old levy" and a "new levy" which are potentially relevant.) _____

ASSETS

CASH & INVESTMENTS

General Note: Examine the cash, cash equivalents and investments categories on the various statements of assets and liabilities in connection with the note disclosure.

Are the following disclosures made regarding the legal and contractual provisions for deposits and investments (including repurchase agreements) (GASB 3, paras. 65 & 66) specifically:

- 2.330 Brief description of the types of investments authorized by legal or contractual provisions? [GASB Cod. I50.124] _____
- 2.331 Any significant differences in authorized investments between the primary government and different funds or any component unit whose investment activity is material to the financial statements? [GASB Cod. I50.124] _____
- 2.332 For deposits and investments, *significant* violations of legal or contractual provisions during the period under audit? [GASB Cod. I20.106] _____
- 2.333 If the government has exposure to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk, does the government briefly describe the deposit or investment policies related to such risks or disclose that there are no such policies? [GASB 40, para. 6] _____
- 2.334 Are the year-end investment balances broken down and organized by investment type according to one of the five required methods (segmented time distribution, specific identification, weighted-average maturity, duration or simulation model)? [GASB40IG:32] _____
- 2.335 Are dissimilar investment types listed separately (such as U.S. Treasury bills, corporate bonds, bank certificates of deposit, commercial paper, UST strips, US agency securities, investment pools, etc.)? [GASB 40, para. 4] _____

If some or all investments are NOT obligations of, or guaranteed by, the U.S. Government, are credit quality ratings disclosed (from a recognized rating agency – S&P, Moody’s, etc.), or explain that credit ratings are not available for [GASB 40, para. 7]

2.336	Investments in debt securities	_____	_____	_____	_____
2.337	External Investment Pools	_____	_____	_____	_____
2.338	Money market funds	_____	_____	_____	_____
2.339	Bond mutual funds	_____	_____	_____	_____
2.340	Other pooled investments of fixed income securities	_____	_____	_____	_____
2.341	If credit quality disclosure is required and the investment is unrated, is that fact disclosed?	_____	_____	_____	_____
2.342	If the government has investment securities (including repurchase agreements) at the end of the period are exposed to custodial risk, does the government disclose the investment type and reported balances that are held by the following parties: (External investment pools, open-end mutual funds, and securities under reverse repurchase agreements are excluded from custodial risk disclosures.) [GASB 40, para. 9]	_____	_____	_____	_____
	.1 The counterparty?	_____	_____	_____	_____
	.2 The counterparty's trust department or agent but not in the government's name?	_____	_____	_____	_____
2.343	Concentration of credit risk by disclosing by amount and by issuer investments in any one issuer that represent 5 percent or more of total investments? [GASB 40, para. 9]	_____	_____	_____	_____
2.344	Terms of debt investments with fair values that are "highly" sensitive to changes in interest rates such as coupon multipliers, benchmark indexes, reset dates, and embedded options? (GASB 40, para. 14 & 16)	_____	_____	_____	_____

If the government has deposits at the end of the period that are exposed to custodial credit risk (bank balances not covered by depository insurance), does the government disclose the amount of those bank balances that are both uninsured and that fall into one of the following categories: [GASB 40, 8; GASB Cod. C20.107]

2.345.1	Uncollateralized?	D	_____	_____	_____
2.345.2	Collateralized by securities held by the pledging financial institution?	D	_____	_____	_____
2.345.3	Collateralized by securities held by the pledging financial institutions' trust department or agent but not in the depositor-government's name?	D	_____	_____	_____

Preparer Only -

If the government changes its custodial arrangement(s) after year end and the change significantly changes the credit risk classifications of future deposits or investments, is the change and its expected effect on the future credit risk classifications disclosed? [GASB Cod. Sec. 2300.106f]

Preparer Only -

If an investment is downgraded after the fiscal year-end and before the statements are issued, that fact should be disclosed. Is there any indication that this has not been properly disclosed? [GASB40IG:25]

Have the following disclosures been made for investments subject to the fair value requirements of GASBS No. 31:

2.348 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? _____

2.349 The policy for determining which investments, if any, are reported at amortized cost? _____

2.350 For investments in external investment pools that are not registered with the SEC, 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 pool shares? [such as Illinois Funds, IMET, ISDLAF, etc.] D _____

2.351 Any involuntary participation in an external investment pool? _____

2.352 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? _____

2.353 Any income from investments associated with one fund that is assigned to another fund? _____

The disclosure of realized gains and losses in the notes is optional. For governments that disclose realized gains and losses, do the notes disclose that: [GASB 31, para. 15]

2.354 The calculation of realized gains or losses is independent of the net change in the fair value of investments? _____

2.355 Realized gains or losses on investments that had been held for more than one fiscal year and sold in the current year were included as a net change in the fair value of investments reported in the prior year(s) and in the current year? _____

Repurchase & Reverse Repurchase Agreements– If NONE, skip to Question 2.360.1

If the government unit has commitments as of the statement date to resell securities under yield maintenance repurchase agreements, are the following matters disclosed? [GASB 3, para. 72]

2.356.1 The reported amount as of the statement date? _____

2.356.2 Fair value of the securities to be resold as of the statement date? _____

The terms of the agreement(s):

2.356.3 Settlement price ranges? _____

2.356.4 Agreed-on yields? _____

2.356.5 Maturity dates, etc. _____

If the government made any reverse repurchase agreements, are the following disclosures made of legal or contractual provision: [GASB 3, paras. 76 & 77]

2.357.1 If reverse repurchase agreements were used during the period, the source of legal or contractual authorization for the use of those agreements? _____

2.357.2 Any significant violations of legal or contractual provisions for the reverse repurchase agreements during the period under audit? _____

If the government has any reverse repurchase agreements outstanding as of the financial statement date: [GASB 3, paras. 78-81]

2.358.1 Are the assets and liabilities arising from the agreements separately displayed? _____

2.358.2 For reverse repurchase agreements, other than yield maintenance agreements, is the credit risk related to the agreements disclosed? _____

For commitments to repurchase securities under yield maintenance agreements, are the following disclosed:

2.358.3 Fair value of the securities to be repurchased as of the statement date? _____

The terms of the agreement(s), specifically:

2.358.4 Settlement price ranges? _____

2.358.5 Agreed-on yields? _____

2.358.6 Maturity dates, etc. _____

2.358.7 Do the notes to the financial statements disclose whether the maturities of the investments made with repurchase agreement proceeds generally match the maturities of the agreements, as well as the extent of such matching at the balance sheet date? [GASB 3, para. 6] _____

DERIVATIVE INSTRUMENT ACTIVITY
- If there are NONE skip to Question 2.361

Do the notes provide a summary of derivative instruments activity during the reporting period, specifically is the summary disclosure [GASBS53:69]

2.360.1 Organized by governmental activities, business – type activities and fiduciary funds? _____

Further divided into the following categories:

2.360.2 Hedging derivative instruments (distinguishing between fair value and cash flow hedges)? _____

2.360.3 Investment derivative instruments? _____

2.360.4 Within each category is it aggregated by type (such as receive – fixed swaps, pay fixed swaps, rate caps, basic swaps, future contracts)? _____

Does the summary information include:

2.360.5 Notional amounts? _____

2.360.6 Changes in fair value during the reporting period? _____

2.360.7 Classification and where fair value changes are reported in the financial statements? _____

2.360.8 Fair values as of the end of the reporting period? _____

2.360.9 Classification and where fair value amounts are reported in the financial statements? _____

2.360.10 If the fair value amounts are based on other than quoted market prices, are methods and significant assumptions disclosed? _____

2.360.11 If derivative instruments are reclassified from hedging to investment, are there fair value amounts (including deferral amounts) disclosed? _____

Hedging Derivative Instruments

For hedging derivative instruments, do the notes disclose [GASBS53:70]:

2.360.12 Objectives for entering into those instruments?	_____	_____	_____	_____
2.360.13 Context needed to understand the objectives?	_____	_____	_____	_____
2.360.14 Strategies employed for those objectives?	_____	_____	_____	_____
2.360.15 Types of derivative instruments entered into?	_____	_____	_____	_____

Terms

2.360.16 Notional amount?	_____	_____	_____	_____
2.360.17 Reference rates (such as indexes or interest rates)?	_____	_____	_____	_____
2.360.18 Embedded options (such as caps, floors or collars)?	_____	_____	_____	_____
2.360.19 Date when entered into and scheduled termination and/or maturity?	_____	_____	_____	_____
2.360.20 Cash amount paid or received, if any (for a forward contract or swap, including swaptions)?	_____	_____	_____	_____

Credit Risk

If a hedging derivative instrument exposes the government to a financial loss due to credit risk, do the notes disclose -

2.360.21 the credit quality ratings of counterparties as of the end of the reporting period (or the fact of no rating)?	_____	_____	_____	_____
2.360.22 Maximum loss amount (without regard to collateral, security or netting arrangements)?	_____	_____	_____	_____
2.360.23 Policy on required collateral or other security measures and access to these measures?	_____	_____	_____	_____
2.360.24 Policy on master setting arrangements including a description and aggregate liability amounts?	_____	_____	_____	_____
2.360.25 Aggregate fair value of asset (positive) positions net of collateral posted by the counterparty and the effect of master netting arrangements?	_____	_____	_____	_____
2.360.26 Significant concentration of net credit risk exposure with individual and groups of counterparties?	_____	_____	_____	_____

Interest Rate Risk

2.360.27 If a hedging derivative instrument increases exposure to interest rate risk, do the notes disclose that increased exposure and the related terms that increase the risk?	_____	_____	_____	_____
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Basis Risk

2.360.28 If a hedging derivative instrument exposes a government to basis risk, do the notes disclose this exposure and the payment and other terms that creates the basis risk?	_____	_____	_____	_____
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Termination Risk

2.360.29 If a hedging derivative instrument exposes a government to termination risk, do the notes disclose this exposure?	_____	_____	_____	_____
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Also, is the following disclosed (if applicable):

2.360.30 Termination events that have occurred?	_____	_____	_____	_____
2.360.31 Past or future termination dates?	_____	_____	_____	_____
2.360.32 "Out-of-the-ordinary" termination events?	_____	_____	_____	_____

Rollover Risk

2.360.33 If a hedging derivative instrument exposes a government to rollover risk, do the notes disclose this exposure and the maturity of the hedging instrument and the hedged item?	_____	_____	_____	_____
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Market Access Risk

2.360.34 If a hedging derivative instrument exposes a government to market-access risk, do the notes disclose this exposure?	_____	_____	_____	_____
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Foreign Currency Risk

2.360.35 If a hedging derivative instrument exposes a government to foreign currency risk, do the notes disclose the U.S. dollar balance of the instrument organized by currency denomination and by type of instrument?

Hedged Debt

2.360.36 If the hedged item is a debt obligation, do the notes disclose the instrument's net cash flows, separately presenting principal and interest requirements to maturity for each of the five fiscal years and five year increments there after? [GASBS53:74; GASBS38:10]

Effectiveness Evaluation Methods

If effectiveness is evaluated using a quantitative method other than the synthetic instruments, dollar – offset or regression analysis method, do the notes disclose the:

2.360.37 Identity and characteristics of the method?

2.360.38 Range of critical terms tolerated?

2.360.39 Actual critical terms of the hedge?

Investment Derivative Instruments

For investment derivative instruments reported as the end of the period, do the notes disclose [GASBS53:76]

(Credit Risk)

2.360.40 the credit quality ratings of counterparties as of the end of the reporting period (or the fact of no rating)?

2.360.41 Maximum loss amount (without regard to collateral, security or netting arrangements)?

2.360.42 Policy on required collateral or other security measures and access to these measures?

2.360.43 Policy on master setting arrangements including a description and aggregate liability amounts?

2.360.44 Aggregate fair value of asset (positive) positions net of collateral posted by the counterparty and the effect of master netting arrangements?

2.360.45 Significant concentration of net credit risk exposure with individual and groups of counterparties?

(Interest Rate Risk)

2.360.46 – Year – end balance broken down and organized by type according to one of the required methods (segmented time distribution, specific identification, weighted – average maturity, duration or simulation model)? [GASB 40IG:32]

For an interest rate swap, do the notes disclose:

2.360.47 – The fair value amount?

2.360.48 - Notional amount?

2.360.49 - Reference Rate?

2.360.50 - Any embedded options?

Foreign Currency Risk [GASBS53:76c; GASBS40:17]

2.360.51 – If an investment derivative instrument exposes a government to foreign currency risk, do the notes disclose the U.S. dollar balance of the instrument organized by currency denomination and by the type of investment?

Contingent Features [GASBS53:77]

If the derivative instruments contain contingent features (such as a government’s obligation to post collateral if the credit quality of a government’s hedgeable item declines), do the notes disclose.

- 2.360.52 – The existence, nature and circumstances of the contingent features? _____
- 2.360.53 - The aggregate fair value of the instruments? _____
- 2.360.54 - The aggregate fair value of the assets that would be required to be posted as collateral or transferred in accordance with the triggering provisions? _____
- 2.360.55 – The amount (if any) that has been posted as collateral as of the end of the reporting period? _____

Hybrid Instruments

- 2.360.56 – If a government reports a hybrid instruments, do the notes contain the disclosures consistent with similar transactions? [GASBS53:78] _____

SGICs [GASBS53:79]

If a government reports a fully benefit – responsive synthetic guaranteed investment contract, do the notes disclose

- 2.360.57 – A description of the nature of the SGIC? _____
- 2.360.58 - The SGIC’s fair value, including separate disclosure of the wrap contract and underlying investments values? _____

EXTERNAL INVESTMENT POOL

- 2.361 If the government sponsors an external investment pool does it either 1) refer readers to the separately issued report of the pool or 2) provide all of the note disclosures required for governmental external risk pools? [GASBS31: 19] (E) _____

ENDOWMENTS

- 2.365 If the government has been the recipient of an endowment, do the notes describe the endowment? [GASBS34: 121] _____
- 2.366 If land and/or other real estate is held as an investment, is it reported at fair value (on Accrual basis statements)? [GASBS 52:4] _____
- 2.367 Are changes in fair value during the period reported as investment income? (on Accrual basis statements) [GASBS 52:4] _____

If N/A, skip to 2.370.

- 2.368.1 Do the notes disclose the amounts of net appreciation on investments that are available for expenditure? (on Accrual basis statements) [GASBS34: 121a] _____
- 2.368.2 Do the notes explain how available amounts are reflected in net assets? [GASBS34: 121a] _____
- 2.368.3 Do the notes disclose the state law governing the ability to spend net income and appreciation? (on Accrual basis statements) [GASBS34: 121b] _____
- 2.369 Do the notes disclose the policy for authorizing and spending investment income? (on Accrual basis statements) [GASBS34: 121c] _____

CAPITAL ASSETS & DEPRECIATION

- 2.370 Do the notes furnish information on the primary government’s capital assets (including intangible assets)? [GASBS34: 116 GASBS51: 5] _____
- 2.371 Do the notes present all required information separately for each major class of capital assets? [GASBS34: 116] D _____
- 2.373 Do the notes report non-depreciable capital assets separately from depreciable capital assets? [GASBS34: 116] _____
- 2.374 Do the notes present accumulated depreciation as a separate item? [APB12: 5; GASBS 34: 20] _____
- 2.375 Do the notes disclose beginning and end of year balances, capital acquisitions and sales or other dispositions during the period? [GASBS34: 117b-c] D _____

CAPITAL ASSET IMPAIRMENTS

- 2.377 If a government experienced a loss from the impairment of a capital asset (including intangible assets), do the notes disclose a general description of the amount and classification of the loss (if not evident on the face of the statements)? [GASBS 42:17] _____
- 2.378 Do the notes disclose the amount and classification of insurance recoveries (if any and if not evident on the face of the statements)? [GASBS 42:21] _____
- 2.379 Do the statements and/or the notes indicate that the carrying value of the impaired asset was adjusted to reflect the impairment and that the cost of restoration was not netted against any associated insurance recoveries? [GASBS 42:16,21] _____
- 2.379.1 Do the notes disclose the carrying amount of capital assets that are idle at the end of the fiscal period? [GASBS 42:20] _____

RESTRICTED ASSETS

- 2.388 If the government reports restricted assets, do the notes disclose the detail of restricted asset accounts (i.e., both purpose and amount) if this detail is not provided on the face of the statement of position? [NCGAS1: 1] _____
- 2.389 If there is a Tort Immunity Tax levy and/or self-insurance reserve included within another fund (not in a separate fund), do the financial statements or the notes include a list of Tort expenditures and the resulting year-end balance restricted for Tort or self-insurance purposes? _____

**CAPITAL (& OPERATING) LEASES
LESSEE**

- 2.390 If the government is the lessee in a capital lease, do the notes disclose that fact? [NCGAS5: 27] _____

If N/A, skip to 2.396.

- 2.391 Do the notes describe the lease arrangements? [NCGAS5: 27] _____
- 2.392 Do the notes disclose the gross amount of assets and accumulated amortization acquired under capital leases by asset class? [GASBS62, 223] _____
- 2.393 Do the notes disclose the minimum future lease payments in total and for each of the next five years? [NCGAS5: 27; FASBS13: 16aai; GASBS38: 11] _____
- 2.394 Are minimum future lease payments for subsequent years reported in five-year increments? [GASBS38: 11] _____
- 2.395 Is the amount of imputed interest presented as an adjustment to reduce the net minimum lease payments to their present value and the net amount included in the General Long Term Debt Account Group? _____
- 2.396 If the government is the lessee in an operating lease, do the notes describe the general leasing arrangements and current-year rental costs, as well as any contingent rentals? [NCGAS5: 27; FASBS13: 16c-d] _____
- 2.397 If the government is the lessee in a non-cancelable operating lease of more than one year, do the notes disclose the future minimum rental payments in total and for each of the next five years? [NCGAS5: 27; FASBS13: 16b; GASBS38: 11] _____
- 2.398 Are minimum future lease payments for subsequent years reported in five-year increments? [GASBS38: 11] _____

LESSOR

- 2.400 If the government is the lessor in a capital lease, do the notes disclose that fact? [NCGAS5: 27] _____

If N/A, skip to 2.404.

- 2.401 Do the notes disclose the total future minimum lease payment receivable (reduced by executory costs and uncollectibles)? [NCGAS5: 27; FASBS91: 25d] _____
- 2.402 Do the notes disclose the minimum lease payments for each of the five succeeding fiscal years? [NCGAS5: 27; FASBS13: 23aai] _____
- 2.403 Do the notes disclose (as applicable), 1) any unguaranteed residual value accruing to the government, 2) any unearned income, and 3) the total of any contingent rentals of the period? [NCGAS5: 27; FASBS91: 25; FASBS13: 23aiv] _____
- 2.404 If the government is the lessor in an operating lease, do the notes disclose both the cost and carrying amount of leased assets and depreciation on those assets? [NCGAS5: 27; FASBS13: 23bi] _____
- 2.405 If the government is the lessor in a noncancelable operating lease of more than one year, do the notes disclose minimum future rentals in the aggregate and for each of the five succeeding fiscal years? [NCGAS5: 27; FASBS13: 23bii] _____

LIABILITIES

Preparer Only -

Do the notes disclose contingent liabilities? [GASBS 10: 58 (referenced in 64-5)].

2.411 If it appears that there are unrecorded contingencies which meet the criteria for reporting have they been appropriately disclosed? [The notes should disclose any guarantees of indebtedness, even if the likelihood of loss is considered to be remote.] [FASBS5: 12]

Preparer Only -

Do the notes disclose subsequent events (including those related to pollution remediation obligations)? [NCGAI6: 4d; GASBS 49: 100]

Preparer Only -

Do the notes disclose material violations of finance-related legal and contractual provisions (including those related to pollution remediation obligations)? [NCGAS1: 158; GASBS 49: 100]

2.415 If a finance related legal or contractual violation is significant, do the notes identify actions that the government has taken to address the violation (including those related to pollution remediation obligations)? [GASBS38: 9, GASBS 49: 100]

DEBT SERVICE REQUIREMENTS

2.420 Do the notes disclose debt service to maturity for all outstanding debt? [NCGAI6: 4h; GASBS38: 10]

D

2.421 Are the principal and interest components of debt service presented separately? [GASBS38:10a] (E)

2.422 Does the disclosure present debt service payments separately for each of the next five years? [GASBS38:10a]

2.423 Are debt service payments for subsequent years reported in at least five-year increments? [GASBS38: 10a]

2.424 If the government has variable rate debt outstanding, do the notes disclose the terms by which interest rates change? [GASBS38: 10b]

LONG-TERM LIABILITIES

2.425 Do the notes furnish information on the primary government's long-term liabilities? [GASBS34: 119]

D

2.426 Do the notes provide all required information separately for each major class (i.e. bonds, notes, loans, and leases payable; compensated absences, claims & judgments, etc.) of long-term liabilities? [GASBS34: 116]

2.427 Do the amounts reported in the notes for long-term liabilities agree with the General Long Term Debt Account Group?

D

2.429 Do the notes disclose which governmental funds typically have been used in prior years to liquidate long-term liabilities other than the debt services fund? [GASBS34: 119d]

2.430 Do the notes disclose beginning and end of year balances for long-term liabilities? [GASBS34: 119] _____

2.431 Do the notes present increases and decreases separately? [GASBS34: 119b] _____

2.432 Is ALL of the debt included in the financial statements allowable under the Illinois School Code? If not, has the auditor properly cited this violation? _____

Preparer Only Question

Do the notes address the liabilities from federal arbitrage regulations?

2.441 If bond anticipation notes are classified as long-term obligations on the basis of a financing agreement, do the notes disclose the details of the arrangement, as well as the terms of any new obligation incurred or expected to be incurred as a result of the refinancing? [NCGAI9: 12; FASBS6: 15] _____

Preparer Only Question

If the government is authorized to issue debt that has not yet been issued, do the notes disclose this fact?

2.444 If the government is subject to a legal debt margin, do the notes disclose the total amount and the available amount of the legal debt limit? _____

CONDUIT DEBT

2.445 If the government has issued conduit debt, do the notes disclose this fact? [GASBI2: 3] _____

If N/A, skip to 2.450

2.446 Do they provide a general description of conduit debt transactions? [GASBI2: 3a] _____

2.447 Do they disclose the aggregate amount of all conduit debt obligations outstanding at the end of the period? [GASBI2: 3b] _____

2.448 Do they provide a clear indication that the issuer has no obligation for the debt beyond the resources provided by related leases or loans? [GASBI2: 3c] _____

SHORT-TERM DEBT

2.450 If the government has engaged in short-term debt activity during the year (e.g., anticipation notes, use of lines of credit), even if no short-term debt is outstanding at the end of the fiscal period, has the government discussed this fact? [GASBS38: 12] _____

If N/A, skip to 2.455

2.451 Has the government provided a schedule of changes in short-term debt (i.e., beginning of period balance, increases, decreases, end of period balance)? [GASBS38: 12a] _____

2.452 Has the government provided an explanation of the purpose for which the debt was issued? [GASBS38: 12b] _____

2.453 If the government has demand bonds outstanding at the end of the fiscal period, do the notes provide all of the disclosures required by GAAP? [GASBI1: 11;] (E) _____

DEBT REFUNDING

2.455 If the government undertook a refunding during the year that either defeased or redeemed the refunded debt, do the notes disclose this fact? [GASBS7: 11-14] _____

If N/A skip to 2.459

2.456 Do the notes provide a brief description of the refunding transaction(s)? [GASBS7: 11] _____

2.457 Do the notes disclose the aggregate difference in debt service between the refunding debt and the refunded debt? [GASBS7: 11] _____

2.458 Do the notes disclose the economic gain or loss on the transaction? [GASBS7: 11] _____

2.459 Do the notes disclose the amount of any outstanding in-substance defeased debt from the current or prior years? [GASBS7: 14] _____

SPECIAL ASSESSMENT DEBT

2.460 If the government has issued special assessment debt for which it is obligated in some manner, do the notes discuss this debt? [GASBS6: 20] _____

If N/A skip to 2.467.

2.461 Do the notes disclose the nature of the government's obligation? [GASBS6: 20] _____

2.462 Do the notes disclose the amount of delinquent special assessments receivable (if not discernable on the face of the financial statements)? [GASBS6: 20] _____

2.463 If the government has issued special assessment debt for which it is **not** obligated in any manner, do the notes discuss this debt? [GASBS6: 21] _____

If N/A, skip to 2.467.

2.464 Do the notes disclose the amount of the debt? [GASBS6: 21] _____

2.465 Do the notes disclose that the government is acting only as an agent and is no way liable for the debt? [GASBS6: 21] _____

DEBT SECURED BY PLEDGED REVENUES

2.467 If a government has pledged specific revenues to directly, or indirectly, collateralize or secure its debt (or debt of a component unit), do the notes disclose:

- a. the specific revenue pledged and the approximate amount of the pledge? [GASBS 48: 21a] _____
- b. general purpose for the secured debt? [GASBS 48: 21b] _____
- c. the term of the pledge commitment? [GASBS 48: 21c] _____
- d. the relationship of the pledge amount to the total amount of the specified revenue stream? [GASBS 48: 21d] _____
- e. a comparison of the pledged revenues currently recognized to the principal and interest requirements for the collateralized debt? [GASBS 48: 21e] _____

SALES OF FUTURE REVENUE STREAMS

2.468 If a government sells a future revenue stream, do the notes disclose:

- a. the specific revenue sold, including the appropriate amounts and the significant assumptions used in determining the amount? [GASBS 48: 22a] _____
- b. the period to which the sale applies? [GASBS 48: 22b] _____
- c. the relationship of the sold amount to the total specific revenue amount (if estimable)? [GASBS 48: 22c] _____
- d. a comparison of the sale proceeds to the present value of the future revenues sold including the significant assumptions used in the present value determination? [GASBS 48: 22d] _____

POLLUTION REMEDIATION OBLIGATIONS

2.480 If a government recognizes pollution remediation liabilities (and related recoveries), do the notes disclose:

- a. the nature and source of the obligation (i.e. federal, state, or local laws or regulations)? [GASBS 49: 25a] _____
- b. the amount of the estimated liability (if not apparent on the face of the financial statements)? [GASBS 49: 25b] _____
- c. the methods and assumptions used for the estimate and the potential for changes due to price changes, technology, or changes in applicable laws or regulations? [GASBS 49: 25b] _____
- d. the estimated recovery amounts reducing the liability, if any? [GASBS 49: 25c] _____

2.481 For pollution remediation liabilities not recognized because they are not reasonably estimable, do the notes disclose a general description of the nature of the pollution remediation activities? [GASBS 49: 26] _____

RISK MANAGEMENT AND FINANCING

2.482 Do the notes discuss the government’s risk financing activities? [GASBS10: 77] D _____

2.483 Do the notes describe the types of risk faced by the government? [GASBS10: 77a] _____

2.484 Do the notes describe how each type of risk is being handled?
[GASBS10: 77a] _____

2.485 If there has been any significant reduction in insurance coverage from the previous year, is this reduction disclosed by risk category? [GASBS10: 77b] _____

2.486 Do the notes indicate *whether* the amount of settlements exceeded insurance coverage in each of the past three years? [GASBS10: 77b] _____

Relating to Risk Pools -

2.487 If the government participates in a risk pool, do the notes describe the arrangement? [GASBS10: 77c] _____

2.488 Do the notes specifically address the rights and responsibilities of both the government and the pool? [GASBS10: 77c] _____

Relating to Self-funded Insurance -

2.489 If the government retains some risk of loss, do the notes disclose this fact? [GASBS10: 77d] _____

2.490 For accrual basis statements, do the notes describe what the liability for unpaid claims represents and how it is calculated? [GASBS30: 10] _____

2.491 Do the notes mention whether non-incremental claims adjustment expenses have been included as part of the liability for claims and judgments? [GASBS30: 10] _____

2.492 If the government exercises its option to discount claims liabilities or has entered into any structured settlements, do the notes disclose the nondiscounted carrying amount of any liabilities reported at a discounted value and the range for interest rates used for discounting? [GASBS10: 77d(2)] _____

2.493 If claims have been defeased through annuity contracts, is this fact disclosed? [GASBS10: 77d(3)] _____

2.494 For accrual basis statement, do the notes provide a tabular reconciliation of the claims liability? [GASBS10: 77d(4)] _____

2.495 Does the reconciliation distinguish 1) claims liability at the beginning of the period, 2) claims incurred during the period, 3) changes in the estimate for claims of prior periods, 4) payments on claims, 5) other, and 6) claims liability at the end of the period? [GASBS10: 77d(4)] _____

2.496 Is this information provided for the current and each of the two most recent fiscal periods? [GASBS10: 77d(4)] _____

Relating to a Sponsored Risk Pool -

2.497 If the government sponsors a public-entity risk pool, does it either 1) refer readers to the separately issued report of the pool or 2) provide all of the note disclosures required for public-entity risk pools? [Q&A10: 78] _____

2.498 If the government sponsors a public-entity risk pool, does the OI present ten years of data on revenues and claims development (unless the notes contain a reference to a separately issued report)? [GASBS30: 7]

***PENSION-RELATED & OPEB NOTE DISCLOSURES
MODIFIED CASH BASIS FINANCIAL STATEMENTS***

2.500 Do the notes include required information on retirement, or pension and/or post-employment benefits other than pensions (OPEB) plans? (GASB Cod. P20) D

IF Q. 2.500 is NO, please skip to Question 605

***OTHER POSTEMPLOYMENT BENEFITS (OPEB) -
(such as Retiree Participation in Health Plans)***

2.512 Does the governmental entity participate in a defined benefit OPEB plan? (If the entity does not have or participate in such plans, answer N/A and skip to 2.520)

**The following questions are requirements for GAAP basis statements.
If a cash basis entity decides to present this information it should conform to the GAAP basis guidelines.**

2.512.1 For an OPEB healthcare plan, do the notes disclose the actuarial assumptions about the healthcare cost trend rate? [GASBS 45:25(d)5(c)]

2.512.2 For a cost-sharing multiple-employer OPEB plan, do the notes disclose how the required contribution rate is determined (e.g., by statute, contract or an actuarial basis) or state that the plan is financed on a pay-as-you-go basis? [GASBS 45:24(b)3]

2.512.3 If different years are used for the economic assumptions (e.g., inflation rate, healthcare cost trend rate), do the notes disclose both the initial and ultimate rates? [GASBS 45:25(d)5(c)]

2.512.4 For partially funded defined benefit OPEB plans, do the notes disclose the method used to determine the blended investment return assumption? [GASBS 45:25(d)5(c)]

2.512.5 If the governmental entity reports one or more defined benefit OPEB plan(s), do the notes provide the following about the funded status of the plan(s) [GASBS 45:25(c)]:

(1) actuarial valuation date?

(2) actuarial value of assets?

(3) actuarial accrued liability?

(4) total unfunded actuarial accrued liability (or funding excess)?

(5) funded ratio?

(6) annual covered payroll?

(7) ratio of total unfunded actuarial accrued liability to annual covered payroll?

2.512.6 If the governmental entity reports one or more defined benefit OPEB plan(s), do the notes disclose the following about the actuarial methods and significant assumptions used [GASBS 45:25(d)]:

(1) a discussion of the fact that the 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 results are compared to past expectations and new estimates are made about the future? _____

(2) a discussion of the fact that the required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits? _____

(3) a discussion of the fact that calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between employer and plan members to that point? _____

(4) a discussion of the fact 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, if applicable? _____

(5) a discussion of the fact that actuarial calculations reflect a long-term perspective? _____

(6) a discussion of the fact that the 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, if applicable? _____

Alternative Measurement Method (AMM)

2.512.7 Does the OPEB plan qualify for and use the alternative measurement method (plans with less than 100 members)? [GASBS 45:33-35] **(If the entity does not use the AMM, answer N/A and skip to 2.513.)**

1. Do the notes disclose that the governmental entity has elected to use the AMM? _____

2. Do the notes disclose the source or basis of all significant assumptions or methods used to apply the AMM, including:

(a) general considerations? _____

(b) expected point in time at which benefits will begin to be provided? _____

(c) marital and dependency status? _____

(d) mortality? _____

(e) turnover? _____

(f) healthcare cost trend rate? _____

(g) use of health insurance premiums? _____

(h) plans with coverage options? _____

(i) use of grouping? _____

GASBS68 Reporting for Pension Plans

2.520 Does the government participate in two or more defined benefit pension plans that are administered through a trust or equivalent arrangement (regardless of whether the plan is a single-employer, agent multiple-employer, or cost-sharing multiple-employer plan)?

If so, do the notes provide the aggregate amount for all such plans for each of the following items (if not otherwise identifiable from information presented in the financial statements): [GASB-S68: 37 and 74]

2.520.1 Pension liabilities? _____

2.520.2 Pension Assets? _____

2.520.3 Deferred outflows of resources related to pensions? _____

2.520.4 Deferred inflows of resources related to pensions? _____

2.520.5 Pension expense/expenditures for the period associated with net pension liabilities? _____

2.520.6 If the government participates in a defined benefit pension plan that is administered through a trust or equivalent arrangement do the notes provide information for the plan regardless of its type? [GASB-S68: 18, 38-45 and 76-80]

If so, do the notes:

2.520.6.a. Provide the name of the pension plan? _____

2.520.6.b. Identify the public employee retirement system or other entity that administers the pension plan? _____

2.520.6.c. Identify the type of pension plan (e.g., a single-employer, agent multiple - employer, or cost-sharing multiple-employer pension plan)? _____

2.520.6.d. Describe the benefit terms, 1) including the classes of employees covered, 2) the types of benefits, 3) the key elements of the pension formulas 4) the terms or policies, if any, with respect to automatic postemployment benefit changes, including automatic cost-of-living adjustments (COLAs) and ad hoc postemployment benefit changes, including ad hoc COLAs, and 5) the authority under which benefit terms are established or may be amended? _____

Illinois Municipal Retirement Fund (IMRF)

[agent multiple-employer defined benefit plans]

These questions also apply, if the District sponsors a Single Employer Defined Benefit Plan.

2.521 Does the disclosure provide the number of employees covered by the benefit terms in total and separately for 1) inactive employees (or their beneficiaries) currently receiving benefits, 2) inactive employees entitled to, but not yet receiving benefits, and (3) active employees? [GASB-S68:40c] _____

2.522 Describe contribution requirements, including (1) the basis for determining the employer’s contributions (for example, statute, contract, an actuarial basis, or some other manner); (2) identification of the authority under which contribution requirements of employers, nonemployer contributing entities (if any), and employees are established or may be amended; and (3) the contribution rates (in dollars or as a percentage of covered payroll) of those entities for the reporting period, and 4) if not otherwise disclosed, the total amount of contributions recognized by the pension plan from the employer during the reporting period? _____

2.523 Indicate whether there is a separate publicly available report for the pension plan and, if so, how to obtain the report? _____

2.524 Do the notes provide information about the significant assumptions and other inputs used to measure the total pension liability (TPL)? [GASB-S68: 41 and 77]

If so, do the disclosures include information about:

2.524.1 Inflation? _____

2.524.2 Salary changes? _____

2.524.3 Ad hoc postemployment benefit changes (including ad hoc COLAs)? _____

2.524.4 Source of mortality assumptions? _____

2.524.5 The dates of experience studies on which significant assumptions are based? _____

2.524.6 Rates assumed for different periods (if applicable)? _____

2.524.7 The discount rate? [GASB-S 68: 42 and 78] _____

If so, does this disclosure include:

2.524.7.a. The rate applied in the current measurement and, if applicable, the change in the discount rate since the prior measurement date? _____

2.524.7.b. Assumptions about projected cash flows? _____

2.524.7.c. The long-term expected rate of return on pension plan investments and a description of how it was determined, (including significant methods and assumptions)? _____

2.524.7.d. The municipal bond rate used and the source of that rate, if applicable? _____

2.524.7.e. If a blended rate is used, the periods of projected benefit payments to which the long-term expected rate of return and, the municipal bond rate were applied? _____

2.524.7.f. The assumed asset allocation of the plan’s portfolio, the long- term expected real rate of return (ROR) for each major asset class, and (if not otherwise disclosed) whether the expected ROR are presented as arithmetic or geometric means? _____

2.524.7.g. The NPL calculated using 1) the discount rate plus 1% and 2) the discount rate minus 1%? _____

2.525	For single-employer and agent plans only (if applicable) the amount of benefit payments in the measurement period attributable to the purchase of allocated insurance contracts, a brief description of the benefits for which allocated insurance contracts were purchased in the measurement period, and the fact that the obligation for the payment of benefits covered by allocated insurance contracts has been transferred from the employer to one or more insurance companies? [GASB- S68:45e]	_____	_____	_____	_____
2.526	If the government is an employer in a single-employer or agent multiple-employer defined benefit pension plan that is administered through a trust or equivalent arrangement do the notes provide additional information for the plan? [GASB-S68: 18, 38-39, and 44]	_____	_____		
	If not, skip to Question 2.530.				
	If so, do the notes include:				
2.526.1	A schedule that presents the beginning and ending balances for each of the following items: 1) the total pension liability (TPL), 2) the pension plan’s fiduciary net position (FNP), and 3) the net pension liability (NPL)?	_____	_____	_____	_____
	If so, does the schedule separately present the effect on those items from each of the following, (as applicable): [GASB-S68: 44]				
2.526.2.a.	Service cost	_____	_____	_____	_____
2.526.2.b.	Interest on the TPL	_____	_____	_____	_____
2.526.2.c.	Changes of benefit terms	_____	_____	_____	_____
2.526.2.d.	Differences between expected and actual experience in the measurement of the TPL	_____	_____	_____	_____
2.526.2.e.	Changes of assumptions or other inputs	_____	_____	_____	_____
2.526.2.f.	Contributions from employers	_____	_____	_____	_____
2.526.2.g.	Contributions from nonemployer contributing entities	_____	_____	_____	_____
2.526.2.h.	Contributions from employees	_____	_____	_____	_____
2.526.2.i.	Pension plan net investment income	_____	_____	_____	_____
2.526.2.j.	Benefit payments, including refunds of plan member contributions	_____	_____	_____	_____
2.526.2.k.	Pension plan administrative expense	_____	_____	_____	_____
2.526.2.l.	Other changes, separately identified if individually significant.	_____	_____	_____	_____

When the plan is a cost sharing multiple-employer plan the NPL reported by each employer government is its proportionate share of the collective NPL for the cost sharing plan as a whole. Consistent with that reporting, the alternate calculations of the NPL described above should use the employer’s proportionate share of the cost sharing plan’s collective NPL (rather than the NPL for the cost-sharing plan as a whole).

Teachers’ Retirement System [multiple employer cost-sharing plans]

2.530	Do the notes provide information about the employer balances of deferred outflows of resources and deferred inflows of resources for the plan? [GASB- S68: 45 and 80] (Not Applicable for Cash Basis Entities)	_____	_____		
	If not, skip to Question 2.531				
	If so, are the amounts classified as follows, if applicable:				
2.530.1	Differences between expected and actual experience in the measurement of the total pension liability?	_____	_____	_____	_____
2.530.2	Changes of assumptions or other inputs?	_____	_____	_____	_____
2.530.3	Net difference between projected and actual earnings on pension plan investments?	_____	_____	_____	_____
2.530.4	If the plan is a single-employer or agent plan with a special funding situation or a cost sharing plan, changes in the employer’s proportion of the balances and differences between the employer’s contributions (other than those to separately finance specific liabilities of the individual employer to the pension plan) and the employer’s proportionate share of contributions?	_____	_____	_____	_____
2.530.5	The employer’s contributions to the pension plan subsequent to the measurement date of the net pension liability/collective net pension liability?	_____	_____	_____	_____
2.530.6	A schedule that presents the net amount of deferred outflows and inflows of resources that will affect the employer’s pension expense individually for each of the subsequent five years, and, at a minimum, in the aggregate for subsequent years?	_____	_____	_____	_____
2.530.7	The amount of the employer’s balance of deferred outflows, if any, that will be recognized as a reduction of the net pension liability/collective net pension liability?	_____	_____	_____	_____
2.531	Do the notes provide other information for the plan? [GASB-S68: 45 and 80]	_____	_____		
	If not, skip to Question 550.				
	If so, do the notes include:				
2.532.1	The measurement date of the net pension liability (NPL)/collective NPL, the date of the actuarial valuation used as the basis for the NPL/collective NPL and, if applicable, the fact that update procedures were used to roll forward the total pension liability to the measurement date?	_____	_____	_____	_____
2.532.2	If applicable, the employer’s proportion (percentage) of the collective net pension liability, the basis on which its proportion (percentage) was determined, and the change in its proportion (percentage) since the prior measurement date?	_____	_____	_____	_____

2.532.3	For cost-sharing plans only, the employer’s proportionate amount (in dollars) of the collective net pension liability and, when there is a special funding situation, (1) the portion of the nonemployer contributing entities’ total proportionate amount (in dollars) of the collective net pension liability that is associated with the employer and (2) the total of the employer’s proportionate amount (in dollars) of the collective net pension liability and the portion of the nonemployer contributing entities’ total proportionate share of the collective net pension liability that is associated with the employer? [GASB-S68:80a]	_____	_____	_____	_____
2.532.4	A brief description of changes of assumptions or other inputs that affected measurement of the total pension liability since the prior measurement date?	_____	_____	_____	_____
2.532.5	A brief description of changes of benefit terms that affected measurement of the total pension liability since the prior measurement date?	_____	_____	_____	_____
2.532.6	A brief description of the nature of changes between the measurement date of the net pension liability/collective net pension liability and the employer’s reporting date that are expected to have a significant effect on the net pension liability/employer’s proportionate share of the collective net pension liability, and the amount of the expected resultant change in the net pension liability/employer’s proportionate share of the collective net pension liability (if known)?	_____	_____	_____	_____
2.532.7	Employer pension expense recognized during the reporting period?	_____	_____	_____	_____
2.532.8	Revenue recognized for support from nonemployer contributing entities?	_____	_____	_____	_____

Defined Contribution Plan (if None, skip to Question 2.540)

2.535 Does the government participate as an employer in a defined contribution pension plan that is administered through a trust or equivalent arrangement (regardless of whether there is a special funding situation) do the notes provide additional information for the plan? [GASB-S68:126]

If not, skip to Question 540.

If so, do the notes include:

2.535.1.	The name of the pension plan, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a defined contribution pension plan?	_____	_____	_____	_____
2.535.2.	A brief description of the benefit terms (including terms, if any, related to vesting and forfeitures and the policy related to the use of forfeited amounts) and the authority under which benefit terms are established or may be amended?	_____	_____	_____	_____
2.535.3.	The contribution (or crediting) rates (in dollars or as a percentage of salary) for employees, the employer, and nonemployer contributing entities, if any, and the authority under which those rates are established or may be amended?	_____	_____	_____	_____
2.535.4.	The amount of pension expense recognized for the reporting period?	_____	_____	_____	_____
2.535.5.	The amount of forfeitures included in pension expense for the reporting period?	_____	_____	_____	_____
2.535.6	The amount of the employer’s liability outstanding at the end of the period, if any?	_____	_____	_____	_____

2.535.7. If there is a nonemployer contributing entity or entities (regardless of whether the criteria for a special funding situation are met), do the notes disclose:

2.535.8.a The proportion of the total pension expense that is represented by the employer's expense? [GASB-S68:128]

2.535.8.b The amount of revenue recognized as a result of the support provided by nonemployer contributing entities? GASB-S68:128]

Other Information, or could be presented as Supplemental Information
(Required Supplementary Information under GAAP)

If this information is NOT presented at all answer the questions N/A and skip to Question 605. If it is presented, it should meet the normal requirements.

2.540 If the government participates as an employer in one or more defined benefit pension plans, that are administered through a trust or equivalent arrangement, are schedules of supplementary information or other information presented for each such plan?
[GASB-S68:46 and 81]

If not, skip to Question 605.

If so, do they include:

2.540.1 For single-employer or agent multiple-employer (IMRF) plans a 10-year schedule that presents the beginning and ending balances for each of the following items measured as of the measurement date of the net pension liability: 1) the total pension liability (TPL), 2) the pension plan's fiduciary net position (FNP), and 3) the net pension liability (NPL)?

If not, skip to Question 1034.

If so, does the schedule separately present the effect on those items from each of the following, (as applicable): [GASB- S68:46a]

2.540.2.a. Service cost?

2.540.2.b. Interest on the TPL?

2.540.2.c. Changes of benefit terms?

2.540.2.d. Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability?

2.540.2.e. Changes of assumptions about future economic or demographic factors or of other inputs?

2.540.2.f. Contributions from employers?

2.540.2.g. Contributions from nonemployer contributing entities?

2.540.2.h. Contributions from employees?

2.540.2.i. Pension plan net investment income?

2.540.2.j. Benefit payments, including refunds of employee contributions?

2.540.2.k. Pension plan administrative expense?

2.540.2.l. Other changes, separately identified if individually significant?

2.541.	For single-employer and agent multiple-employer plans, a 10-year schedule about funding progress with information measured as of the measurement date of the net pension liability?	_____	_____	_____	_____
	If so, does the schedule present the following data elements for each year: [GASB-S68:46b1]				
2.541.a.	The Total Pension Liability (TPL)?	_____	_____	_____	_____
2.541.b.	The pension plan’s Fiduciary Net Position (FNP)?	_____	_____	_____	_____
2.541.c.	The Net Pension Liability(NPL)/collective NPL?	_____	_____	_____	_____
2.541.d.	The plan’s FNP as a percentage of the TPL?	_____	_____	_____	_____
2.541.e.	The covered-employee payroll?	_____	_____	_____	_____
2.541.f.	The NPL/collective NPL as a percentage of covered-employee payroll?	_____	_____	_____	_____
2.542.	Does a single-employer or agent multiple-employer plan have a special funding situation?	_____	_____		
	If so, does the Other Information include the following with the information measured as of the measurement date of the net pension liability: [GASB-S68: 46b2]				
2.542.a.	The nonemployer contributing entities’ total proportionate share (amount) of the collective net pension liability that is associated with the employer?	_____	_____	_____	_____
2.542.b.	The employer’s proportionate share (amount) of the collective net pension liability?	_____	_____	_____	_____
2.543.	For a single-employer or agent multiple-employer plan, is an actuarially determined contribution (ADC) calculated for the employer government?	_____	_____		
	If so, is a 10-year schedule included that provides information about the ADC (regardless of whether that amount is funded) and identifies whether the information relates to the employers, nonemployer contributing entities, or both? [GASB-S68:46c].	_____	_____		
	If yes, does the schedule include:				
2.543.a.	The ADC?	_____	_____	_____	_____
2.543.b.	The amount of contributions recognized during the fiscal year by the plan in relation to the ADC?	_____	_____	_____	_____
2.543.c.	The difference between the ADC and the amount of contributions recognized by the plan in relation to the ADC?	_____	_____	_____	_____
2.543.d.	The covered-employee payroll?	_____	_____	_____	_____
2.543.e.	The amounts of contributions recognized by the plan in relation to the ADC as a percentage of covered-employee payroll?	_____	_____	_____	_____
2.544.	For any plan (regardless of its type), are the contribution requirements of the employer government established statutorily or contractually?	_____	_____		
	If so, is a 10-year schedule included that provides information about the employer contribution requirements determined as of the employer’s most recent fiscal year end? [GASB-S68:46d and 81b].	_____	_____		
	If yes, does the schedule include:				
2.544.a.	The statutorily or contractually required employer contribution?	_____	_____	_____	_____
2.544.b.	The amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution?	_____	_____	_____	_____

2.544.c.	The difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution?	_____	_____	_____	_____
2.544.d.	The employer’s covered-employee payroll?	_____	_____	_____	_____
2.544.e.	The amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the employer’s covered-employee payroll?	_____	_____	_____	_____
2.545	For cost sharing multiple-employer (TRS) plans, has a 10-year schedule about funding progress with information measured as of the measurement date of the net pension liability been presented? If not, skip to Question 1036. If so, does the schedule present the following data elements for each year: [GASB-S68:81a]	_____	_____	_____	_____
2.545.a.	The employer’s proportion (percentage) of the collective net pension liability?	_____	_____	_____	_____
2.545.b.	The employer’s proportionate amount (in dollars) of the collective net pension liability?	_____	_____	_____	_____
2.545.c.	When there is a special funding situation, the nonemployer contributing entities’ total proportionate share (amount) of the collective net pension liability that is associated with the employer?	_____	_____	_____	_____
2.545.d.	When there is a special funding situation, the total of the employer’s and nonemployer contributing entities’ proportionate shares (amount) of the collective net pension liability that is associated with the employer?	_____	_____	_____	_____
2.545.e.	The employer’s covered-employee payroll?	_____	_____	_____	_____
2.545.f.	The employer’s proportionate share (amount) of the collective NPL as a percentage of the employer’s covered-employee payroll?	_____	_____	_____	_____
2.545.g.	The pension plan’s fiduciary net position as a percentage of the total pension liability?	_____	_____	_____	_____
2.546.	If schedules of additional supplementary and/or other information are presented for any pension plan(s) that is/are administered through a trust or equivalent arrangement, are the following disclosures to that information included when applicable? [GASB- S68:47 and 82]	_____	_____	_____	_____
2.546.a.	For all plans regardless of their type, factors that significantly affect trends in the reported amounts?	_____	_____	_____	_____
2.546.b.	For single-employer and agent multiple-employer plans, significant methods and assumptions used in calculating the ADC? [GASB- S68:47]	_____	_____	_____	_____

CONSTRUCTION & OTHER SIGNIFICANT COMMITMENTS

2.605 Do the notes disclose any construction and/or other significant commitments (including those related to pollution remediation obligations)? [GASB Cod. 2300.106k; GASBS 49: 100] _____

TERMINATION BENEFITS

2.606 Did the governmental entity incur an obligation for termination benefits (either voluntary or involuntary terminations) during the period? [GASBS 47:18-21] **(If the answer is no or N/A, omit 2.606.1-5.)** _____

2.606.1 Do the notes provide a description of the termination benefit arrangement(s) (i.e., type(s) of benefits provided, number of employees affected, time period of benefits)? [GASBS 47:18] _____

2.606.2 Do the notes disclose the cost of the termination benefits, if not otherwise visible on the face of the financial statements? [GASBS 47:19] _____

2.606.3 Do the notes disclose the change in the actuarial accrued liability of a defined benefit pension or OPEB plan that results from the inclusion of termination benefits in the benefit plan? [GASBS 47:20] _____

2.606.4 If the governmental entity reports liabilities for termination benefits that were incurred in the current or prior period(s), do the notes disclose [GASBS 47:20]:
 (1) methods used to determine the liability (e.g., are amounts reported at their discounted present value)? _____
 (2) assumptions used (e.g., the healthcare cost trend rate and the discount rate if applicable)? _____

2.606.5 If the governmental entity does not report a liability for termination benefits that meet the recognition criteria because the amount is not reasonably estimable, do the notes disclose this fact? [GASBS 47:21] _____

NET ASSETS RESTRICTED BY ENABLING LEGISLATION

2.607 If a governmental entity has legally enforceable restrictions on net assets at the end of the reporting period, do the notes disclose the purpose and amount(s) that are restricted? [GASBS 46:6] _____

FUND BALANCES

2.610 Do the notes disclose fund balance classification policies and procedures, under GAAP, specifically: [GASBS 54: 23]

a. Are non-spendable amounts identified including the nature of any permanent fund type? _____

b. Are restricted amounts identified including the source of the restriction (such as a restricted tax levy or grant funds)? _____

c. For committed fund balances, do the notes describe the government’s highest level of decision making authority and the formal action(s) required to establish, modify, or rescind fund balance commitments? _____

- d. For assigned fund balances, do the notes disclose the governmental body or official authorized to assign amounts for a specific purpose and the policy that authorizes this procedure? _____
- e. Whether the government considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes that either classification is available for? _____
- f. Whether committed, assigned or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes that any of these classifications is available for? _____
- 2.611 If encumbrance accounting is used, do the notes disclose significant encumbrances by major fund(s) and non-major fund(s) (at least in the aggregate), in conjunction with disclosures about significant commitments? _____
- 2.612 Do the notes refrain from separately displaying encumbered amounts for specific purposes that have already been disclosed as restricted, committed, or assigned (as appropriate)? [GASBS 54: 24] _____
- 2.613 If a formal minimum fund balance policy has been established, do the notes describe that policy including the minimum amounts? [GASBS 54: 27] _____
- 2.614 Do the notes provide information on the difference between GAAP fund balance classifications and the amounts of *reserved fund balance* and *unreserved fund balance* shown on the face of the governmental fund balance sheet on the regulatory basis? _____

INTERFUND BALANCES AND TRANSFERS

- 2.615 Do the notes provide information on interfund balances and transfers? [GASBS38: 14-5] _____
- If N/A, skip to 2.640.**
- 2.616 Do the notes disclose the amounts due between funds by individual funds? [GASBS38: 14a] _____
- 2.617 Do the notes disclose the purpose of material interfund balances? [Disclosure should indicate specific, not generic purposes as applicable] [GASBS38: 14b] D _____
- 2.618 Has the government separately disclosed interfund balances that are not expected to be repaid within one year from the date of the financial statements. [GASBS38: 14c] _____
- 2.619 Do the notes disclose amounts transferred between funds by individual fund? [GASBS38: 15a] _____
- 2.620 Do the notes provide a general description of the principal purposes of material interfund transfers? [Disclosure should indicate specific, not generic purposes as applicable] [GASBS38:15b] D _____
- 2.621 Do the notes disclose the intended purpose of significant transfers that do not occur on a routine basis? [GASBS38: 15c(1)] _____

2.622 Do the notes disclose the intended purpose of significant transfers that are inconsistent with the activities of the fund making the transfer (i.e. a transfer from the fire safety fund to the educational fund)? [GASBS38: 15c(2)]

RELATED PARTY TRANSACTIONS

2.640 If the government has engaged in material related party transactions, do the notes disclose the terms of the transactions and the balance of related receivables not visible on the face of the basic financial statements? [NCGAI6: 5; GASB 56:4]

JOINT VENTURES

2.650 If the government participates in a joint venture, do the notes disclose this fact? [GASBS14: 75]

If N/A, skip to 2.660.

2.651 Do the notes describe the nature of any ongoing financial interest or responsibility resulting from participation in the joint venture or state that there is no ongoing financial interest? [GASBS14: 75a(1)]

If there is an ongoing financial interest:

2.652 Do the notes provide information on how to obtain the financial statements of the joint venture? [GASBS14: 75a(2)]

2.653 Do the notes provide information designed to allow the reader to evaluate whether the joint venture is accumulating significant financial resources or is experiencing fiscal stress that may cause an additional financial benefit to or burden on the participating government in the future? [GASBS14: 75a(1)]

2.654 If the government participates in a joint agreement that is also jointly governed organization (for example: one board approves expenditures for both entities), do the notes provide relevant information on related party transactions? [GASBS14: 77]

SERVICE CONCESSION ARRANGEMENTS

If the government has engaged in a service concession arrangement (SCA) with another governmental entity or a non-governmental entity, do the notes disclose: [GASBS60: 16&17]

If N/A skip to 2.665

2.660 A general description of the arrangement, including management's objectives?

2.661 Status of the project during the construction period?

2.662 The nature and amounts of assets, liabilities and deferred inflows of resources recognized in financial statements?

2.663 The nature and extent of rights retained by the governmental transferor under the arrangement?

2.665 Are debt repayment or other guarantees or commitments disclosed in the notes, including duration and terms? [GASBS60: 16&17] _____

EXTRAORDINARY & SPECIAL ITEMS

2.670 If the government reports either special items or extraordinary items, are specifically described on the face of the statement or do the notes describe the underlying event? [GASBS 34: 55, 56 & 378; APB30: 11] D _____

NONEXCHANGE FINANCIAL GUARANTEES

If the government has engaged in a nonexchange financial guarantee with another government, a not-for-profit organization, a private entity, or individual without directly receiving equal or approximately equal value in exchange, do the notes disclose: [GASB 70: 14-15] If NOT, skip to Question 2.675

2.671 A description and the amount of the nonexchange financial guarantee {GASB 70: 14] _____

2.672 A brief description of the timing of recognition and measurement of the liabilities and information about the changes (if the government has made payments during the reporting period) [GASB 70:15] _____

If the government has one or more outstanding obligations that have been guaranteed by another entity as part of a nonexchange transaction, do the notes disclose: [GASB 70: 16-17]

2.673 Information by type of guarantee [GASB 70:16]:
 a. Name of entity providing guarantee _____
 b. Amount of the guarantee _____
 c. Length of time of the guarantee _____
 d. Amount paid _____
 e. Cumulative amount paid _____
 f. A description of requirements to repay the extending entity _____
 g. Outstanding amounts required to be repaid, if any) _____

2.674 A brief description of the amount paid, cumulative amount paid, requirement to repay and amount outstanding (if payments have been made by another entity during the reporting period) [GASB 70:15] _____

PRIOR PERIOD ADJUSTMENT & CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

2.675 If the government reports a prior period adjustment or a change in accounting principle, do the notes explain the nature of the adjustment or change? [APB20: 33, 35, 37] D _____

SUBSEQUENT EVENT

2.676 If the government discloses a subsequent event(s) in the notes, does the disclosure appear to conform to professional standards, i.e. events and conditions arising after the end of the reporting period but before the financial statements are issued (such as the issuance of bonds, creation of a new component unit, loss of a government facility)? [GASBS56: 8&13] _____

2.677 If the notes include a “going concern” disclosure, does that disclosure describe the pertinent conditions and events giving rise to the substantial doubt about the government’s ability to continue as a going concern, possible effects, official evaluation of the significance, mitigating factors, possible discontinuance of operations, official plans, and asset and/or liability amounts and classifications? [GASBS 56:19]

2.680 If the notes include a “going concern” disclosure, were there going concern issues included in the MD & A section of the report? [GASBS56:19]

2.681 Have ALL necessary disclosures been included in the notes? If the issues have been previously addressed in this checklist please answer yes. If not, explain:

STAGE III – THE INDEPENDENT AUDITORS’ REPORT

In general refer to AU-C* 700 – Forming an Opinion and Reporting on Financial Statements. This section contains “AU -C” section numbers instead of “AU” section numbers. As part of the clarification of the SASs, the AU section numbers as designated by SAS Nos. 1—121 were recodified and “AU -C” was selected as an identifier in order to avoid confusion with references to superseded “AU” sections. Superseded “AU” sections were deleted from AICPA Professional Standards in December 2013, by which time substantially all engagements for which the “AU” sections were still effective were expected to be completed.

IMPORTANT ELEMENTS OF THE AUDITOR'S REPORT:

The intention of the following questions is to determine whether or not the auditor's letter is complete and worded correctly.

- | | | | |
|-----|--|---|-------|
| 3.1 | Is there a title that includes the word "independent"? (AU-C 700.23) | R | _____ |
| 3.2 | Is the auditor’s report dated? (AU-C 700.41) | R | _____ |
| 3.3 | Is the report addressed to the governing body? (AU-C 700.24) | R | _____ |
| 3.4 | Does the report refrain from using GAAP basis terminology? | | _____ |

Does the Introductory paragraph:

- | | | | |
|-----|--|---|-------|
| 3.5 | Adequately identify the government unit? (AU-C 700.25) | R | _____ |
| 3.6 | State that the financial statements have been audited? (AU-C 700.25) | R | _____ |
| 3.7 | <p>CLEARLY identify which financial statements were audited? (AU-C 700.25)
 This can be accomplished by:</p> <ul style="list-style-type: none"> <input type="radio"/> referring to sections of the table of contents (the references should be consistent with language used in the table of contents), <input type="radio"/> actually listing them in the scope paragraph itself (the titles used should match the titles used on the financial statements), or <input type="radio"/> other appropriate language (perhaps by references to page or exhibit numbers). | | _____ |
| 3.8 | Clearly identify the inclusive dates of the period (i.e., the last day and length of the period) under audit? (AU-C 700.25) | R | _____ |

Does the Management’s Responsibility section:

- | | | | |
|------|---|---|-------|
| 3.09 | Begin with the heading “Management’s Responsibility for the Financial Statements”? (AU-C 700.26) | R | _____ |
| 3.10 | Describe management’s responsibility for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework? (AU-C 700.27) | R | _____ |

3.11 Describe that management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error? (AU-C 700.27) R _____

3.12 Does the description about management's responsibility for the financial statements refrain from referencing a separate statement about such responsibilities, IF such statement is included in the document containing the auditor's report? (AU-C 700.28) R _____

Does the Auditor's Responsibility section:

3.13 Begin with the heading "Auditor's Responsibility"? (AU-C 700.29) R _____

3.14 State that the auditors' responsibility is to express opinions on these financial statements based on the audit? (AU-C 700.30) R _____

3.15 State that the audit was conducted in accordance with auditing standards generally accepted in the United States of America or clearly specify how and why not? (AU-C 700.31) R _____

3.16 State that the audit was also conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, if applicable? (AU-C 700.43) R _____

3.17 Explain that those standards require that the auditor "plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement?" (AU-C 700.31) R _____

Describe an audit by stating that -

3.18 "an audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements"? (AU-C 700.32 a.) _____

3.19 "the procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances"? (AU-C 700.32 b.) R _____

3.20 Does the auditor further state that this was "not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, and accordingly, no such opinion is expressed"? (AU-C 700.32 b.) R _____

3.21 "an audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements"? (AU-C 700.32 c.) R _____

3.22 That the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinions? (AU-C 700.33) R _____

- 3.23 Is there a section beginning with the heading “Basis for Adverse Opinion”? (AU-C 705.17) R _____
- 3.24 Does this section explain that the financial statements have been prepared to comply with regulatory reporting provisions prescribed by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America AND that the variances between the regulatory basis and GAAP are not reasonably determinable, but are presumed to be material? R _____

If there are other modifications to the opinion: (If not, skip to Question 3.30)

- 3.25 Is there a section beginning with the heading “Basis for Qualified Opinion”, or “Basis for Disclaimer of Opinion”? (AU-C 705.17) R _____
- 3.26 Is there a paragraph which describes the nature of any uncertainties or other departure(s) [missing disclosures]? (AU-C 705.18 - .21) R _____
- 3.27 Is the dollar effect stated or is there a statement that it has not been quantified? (AU-C 705.18) R _____
- 3.28 If the auditor is expressing an adverse opinion, or disclaimed an opinion, does the modification paragraph report any other matters of which the auditor is aware that would require modification to the opinion and the effects thereof? (AU-C 705.22) R _____

Does the Auditor’s Opinion section:

- 3.30 Begin with a heading that includes “Adverse Opinion”? (AU-C 705.23) R _____
- 3.31 Adequately identify the government unit? _____
- 3.32 Does the auditor expresses an *adverse* opinion that states that due to the significant matter(s) described in the “Basis for Adverse Opinion” paragraph, the financial statements are not presented fairly in accordance with the generally accepted accounting principles? (AU-C 705.25) R _____
- 3.33 Is the Adverse Opinion followed by the appropriate regulatory (cash basis) opinion? (AU 9623.15.97) R _____

Note: AICPA interpretation (AU 9623.15) extends the requirement for an Adverse Opinion “when the regulated entity distributes the financial statements to parties other than the regulatory agency either voluntarily or upon specific request.” Since Illinois school districts are subject to the Freedom of Information Act, their audit reports would be subject to distribution upon request. Therefore, it is now required that the auditor must issue an Adverse Opinion on such statements.

- 3.34 If the auditor expresses a *qualified* opinion, does it refer to the “Basis for Qualified Opinion” paragraph and clearly indicate the effect on the auditors’ opinion of the matter described? (i.e., “except for”) (AU-C 705.24) R _____
- 3.37 Has the auditor refrained from referring to Required Supplemental Information (RSI) in these OCBOA Statements? (SAS 120) R _____

Other Reporting Responsibilities

If Other Matters are reported: (If not, skip to Question 3.60)

- | | | | |
|------|--|---|-------|
| 3.40 | Is there are heading of “Other Matters”? (AU-C 700.37) | R | _____ |
|------|--|---|-------|
- | | | | |
|------|---|--|-------|
| 3.41 | If Other Information (OI) is included in the report is there a sub-heading for “Other Information”? | | _____ |
|------|---|--|-------|
- | | | | |
|------|---|--|-------|
| 3.42 | If OI is presented, has the auditor clearly expressed the level of responsibility the auditor is taking relative to that information? (Generally, disclaiming an opinion) | | _____ |
|------|---|--|-------|
- | | | | |
|------|--|---|-------|
| 3.47 | If any additional supporting schedule information (schedules of bonds payable, delinquent taxes, investments, etc.) is presented, has the auditor revealed this in the Other Information Section and either accepted “in relation to” responsibility or clearly disclaimed any responsibility for them? If “no,” list applicable pages: | R | _____ |
|------|--|---|-------|
- | | | | |
|------|---|---|-------|
| 3.48 | If there is any Statistical Information presented, has the auditor revealed this in the Other Information Section and either accepted “in relation to” responsibility or clearly disclaimed any responsibility for that information? If “no,” list applicable pages: | R | _____ |
|------|---|---|-------|
- | | | | |
|------|--|---|-------|
| 3.49 | Is it clear that each page in the financial report is covered by the full scope opinion, by the “in relation to” responsibility, or is clearly unaudited? If “no,” list applicable pages: | R | _____ |
|------|--|---|-------|
- | | | | |
|------|--|---|-------|
| 3.50 | Is it clear that each page in the financial report is not covered by more than one of the following: full scope opinion, “in relation to” supplementary data responsibility, or is clearly unaudited? If “no,” list applicable pages: | R | _____ |
|------|--|---|-------|

If Government Auditing Standards have been used - (If not, skip to Question 3.70)

- | | | | |
|------|--|---|-------|
| 3.60 | Is there a heading of “Other Reporting Required by <i>Government Auditing Standards</i> ”? (AU-C 700.38) | R | _____ |
|------|--|---|-------|
- | | | | |
|------|---|---|-------|
| 3.61 | Is there a paragraph stating that “In accordance with <i>Government Auditing Standards</i> , we have also issued a separate report, dated August XX, 201X, on our consideration of the entity’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.”? | R | _____ |
|------|---|---|-------|

3.62 Is there a statement that “The purpose of that report is to describe the scope of 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 and compliance.”? R _____

3.63 Is there a statement that “That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control over financial reporting and compliance.”? R _____

Note to Reviewers – if *Government Auditing Standards* have been utilized be sure to evaluate the GAS letter utilizing the Single Audit Checklist.

3.64 If it appears that a Single Audit is required, based upon a review of the revenues sections and other parts of the report (i.e., federal grant receipts in excess of \$500,000), does the report document include the additional reports required by A-133 (or has the entity issued a separate compliance supplement)? R _____

3.65 If the schedule of expenditures of federal awards is not issued as a separate single audit package, is there an additional paragraph in the “Other Matters” section and has the auditor given an “in relation to” opinion on the schedule of expenditures of Federal awards? _____

3.66 If the Schedule of Federal Awards presents prior year information, has the auditor indicated his/their responsibility in the “Other Matters” section for such comparative information, or that it was previously audited by another auditor? (AU-C 700.46 - .54) _____

3.70 Does the report contain the manual or printed signature of the auditor's firm? (AU-C 700.39) R _____

3.71 Does the report reveal the city and state where the auditor practices? (AU-C 700.40) R _____

3.72 Does the report appear to be appropriately dated? (AU-C 700.41)
 (The auditor's report should be dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor's opinion on the financial statements, including evidence that *a.* the audit documentation has been reviewed; *b.* all the statements that the financial statements comprise, including the related notes, have been prepared; and *c.* management has asserted that they have taken responsibility for those financial statements.) R _____

3.73 Have all significant problems with the Auditors' Reports been identified by "no" answers to previous questions? If not, please **explain them here** and indicate "no." R _____

For example: indicate if there is any indication of any scope limitations that were not discussed in the scope paragraph (AU 508.22) or indicate if there is any indication of any uncertainties (e.g., contingent liabilities - resulting from the Single Audit that are material to any fund type) or other matters that should have been but were not discussed in the middle paragraph(s) (AU 508.31).

STAGE IV – WRAP-UP QUESTIONS

4.1 Is the report free of inconsistencies (if not, please check “no” and specify below)? _____

4.3 The government should disclose any other “currently known facts, conditions, or decisions” 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). If there is any indication anywhere in the report that the government has failed to adequately disclose these matters, check “no” and specify below. [GASBS34: 11h;] _____

4.4 Among other matters, the SSAP should address any of the following situations:
1) the selection of an accounting treatment when more than one approach would be acceptable, 2) accounting practices unique to state and local governments, and 3) unusual or innovative applications of accounting policies. [APB 22: 12] If it appears to be necessary to discuss any or all of these three situations and were they discussed adequately:
The selection of an accounting treatment? _____
Accounting practices unique to state and local governments? _____
Unusual or innovative applications of accounting policies? _____

4.7 In addition to extraordinary or special items, the government should disclose in the notes any significant transactions or events that are either unusual or infrequent but **not** within the control of management. If this disclosure appears to be necessary, was it correctly reported? (If "no", please specify below) [GASB Cod. 2200.141,159] _____

4.10 If there are other presentations (that were not covered by questions), are they properly presented? **Specify exceptions including but not limited to the following:**

○ interfund loans are not clearly captioned ("amounts due to ..." and "due from ..." is ok)
○ debt service is presented as an other financing use rather than as an expenditure
○ other captions are not clear
○ inconsistencies between notes and statements (e.g., regarding recognition policies)
○ pages covered by only "in relationship to" supplementary data responsibility are referenced to the notes to financial statements
○ amounts that should trace do not trace _____

Stage V
RELATING THE AUDITOR'S REPORT TO FINANCIAL PRESENTATION DEPARTURES:
(questions for Third Review)

Referring to Form 2-1, for question numbers coded A, B, C, or D circled to indicate "no" answers:

5.1 If there were missing financial statements, (Code A) has the report been properly qualified? If there are no missing statements, answer "n/a." If one or more are missing but the report was properly qualified, answer "yes." R _____

If "no," please explain:

5.2 If there were missing funds (Code B), has the report been properly qualified? If none are missing, answer "n/a." If the report was properly qualified, answer "yes." R _____

If "no," please explain:

5.4 If there have been other significant reporting exceptions (Code D), has the report been properly qualified? If in your judgment, there are no other significant reporting exceptions, individually or cumulatively, answer "n/a." If there are other significant reporting exceptions which resulted in a qualification, answer "yes." R _____

If "no," please explain:

End