

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and Related Assertions:					
A. Liabilities and deferred inflows of resources at the balance sheet date are properly supported and represent Entity obligations. (1)					
B. Liabilities and deferred inflows of resources are properly authorized, represent the correct amounts of current and non-current liabilities in the proper period and fund and reflect all outstanding obligations. (2,3,4)					
C. Liabilities and deferred inflows of resources are properly recorded, classified and disclosures are adequate. (10,11,12,13)					
D. Related disbursements, expenditures or expenses (including principal and interest payable) and debt proceeds are properly recorded and classified. (4,5,6,7,8,9)					
E. Debt and related restrictions, guarantees and commitments are properly presented in the financial statements and the related disclosures are adequate. (10,11,12,13)					
F. The Entity has complied with provisions of indentures and agreements related to the debt, including provisions on use of the proceeds.					
Audit Procedures:					
A. Current and non-current liabilities.					
1. Obtain or prepare a list of current liabilities and identify amounts as follows:	A,B				
a. Accounts payable.					
b. Salaries and benefits payable/Accrued payroll and payroll taxes.					
c. Due to other funds.					
d. Due to other governments.					
e. Contracts payable, including retainage, if applicable.					
f. Accrued interest.					
g. Matured portion of accrued compensated absences for governmental funds.					
h. Estimated losses from loss contingencies, including incurred but not reported claims relating to self-insurance funds.					

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ul style="list-style-type: none"> i. Matured portion of termination benefits for governmental funds. j. Anticipatory warrants. k. Customer/patient deposits payable. l. Deposits held in custody. m. Tuition/transportation payable. n. ISCAP warrants and accrued interest payable. o. Other. <ul style="list-style-type: none"> 1. _____ 2. _____ 3. _____ 2. Obtain or prepare a schedule of non-current liabilities and identify amounts as follows. <ul style="list-style-type: none"> a. General obligation bonds and notes payable. b. Lease purchase agreements/capital leases. c. Installment purchase contracts. d. Judgments and claims. e. Compensated absences – portion due within one year and portion due after one year. f. Termination benefits. g. Total OPEB. h. Nonexchange financial guarantees. i. Net pension(s). j. Loans/notes payable. k. Refundable allowances on student loans. l. Other. <ul style="list-style-type: none"> 1. _____ 2. _____ 3. _____ 3. Foot listings for accuracy, if necessary. 	A,B				

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
4. Test the accuracy, reasonableness and classification of recorded current and non-current liabilities by examining supporting documentation.	A,B,C				
B. Determine if deferred inflows of resources meeting the definition of GASB 65 have been recorded:	A,B,C				
1. Review the amount(s) recorded for reasonableness.					
2. Trace the amount(s) to supporting documentation.					
C. Determine if advances (grant/other funds which have been received but not spent in the current period) from grantors/others meeting the definition of GASB 65 have been recorded:	A,B				
1. Review the amount(s) recorded for reasonableness.					
2. Trace the amount(s) to supporting documentation.					
D. Anticipatory Warrants/Obligations					
1. Obtain or prepare a schedule of obligations outstanding at year-end and reconcile to obligations outstanding at the beginning of the year, obligations issued during the year and obligations redeemed during the year.	A,B				
2. Confirm end of year balances of anticipatory warrants.	A,B				
3. Trace receipt of such obligations into the receipts journal and bank statements.					
4. If proceeds are not recorded in receipts journal, trace to subsidiary ledger and prepare recommended adjustment to properly record these transactions and reflect them in the fund balance.					
5. Obtain information on interest paid during the year and payment date. Recompute interest paid on a test basis. Review reasonableness of interest payable on anticipatory warrants.					
6. Determine that anticipatory warrants redeemed were recorded as an expenditure at the time of redemption.					
7. Anticipatory warrants issued and redeemed during the year should be included as other financing sources and uses, respectively.					
8. Include the amount of outstanding anticipatory warrants at June 30 on the balance sheet/statement of net position as anticipatory warrants payable.					

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>E. If the Entity is a Community School District or Community College and they are participating in the Iowa School Cash Anticipation Program (ISCAP), determine if the activity has been properly recorded, including:</p> <ol style="list-style-type: none"> 1. Confirm ISCAP activity at June 30 with the appropriate financial institution. 2. Advances received and repaid on the line of credit and outstanding balances. 3. Determine the ISCAP accrued interest payable. 4. Prepare appropriate footnote disclosure. 	<p>A,B</p> <p>C</p>				
<p>F. Unrecorded Liabilities</p> <p>Perform a search for unrecorded liabilities, including the following sources, and schedule findings to show the effect of the potential adjustment on operations or financial position:</p> <ol style="list-style-type: none"> 1. Examine files of receiving reports unmatched with vendors' invoices, searching for significant items received on or before the balance sheet date. 2. Inspect files of unprocessed invoices and vendors' statements for unrecorded liabilities. 3. Review the disbursements journal for disbursements after the balance sheet date; obtain and examine supporting detail for each disbursement of \$_____ and over and determine that accounts payable as of the balance sheet date were properly recorded. 4. Inquire of Community Services Director, Mental Health Case Manager, or others familiar with Mental Health /Developmental Disability Community Services to determine all mental health billings for services provided prior to June 30 were recorded as liabilities, including those paid several months after year-end. 5. Inquire of responsible client staff about their knowledge of additional sources of unprocessed or unpaid invoices, unrecorded commitments, or contingent liabilities. Indicate who responded to our inquiry in the remarks column. 	B				

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
G. General Obligation and Revenue Bonds or Notes/Certificates Payable					
1. Determine copies of bond or note provisions (ordinances or resolutions), including refunding bond/note issues and escrow agreements for note disclosure, sales agreements, and/or contracts are included in the permanent file. Document revenue bond/note special reporting requirements such as insurance, number of customers, rates, etc. for report.	A,E				
2. Review bond or note provisions for compliance with restrictive and reporting requirements and test adequacy of required account balances and document findings. Document and include any non-compliance in the notes to financial statements and audit report comments.	E,F				
3. If determined necessary, confirm principal amount, maturity date, interest rate, collateral and security.	A,B,C				
4. Obtain or prepare a schedule of maturity payments for the next five years and thereafter, in five-year increments.	D,E				
5. For revenue bonds and notes, include the required disclosures about specific revenues pledged as required by GASB 48, including:	E				
a. Identification of the specific revenue and amount pledged.					
b. Purpose of the debt secured by the pledged revenue.					
c. The term of the commitment.					
d. The percentage of the pledged amount to the total for the specific revenue.					
e. A comparison of the pledged revenues recognized during the period to the principal and interest requirements for the debt collateralized by those revenues.					
6. Determine the proceeds from new debt issued were properly recorded and trace proceeds to the Entity's records.					
7. If bonds or notes are callable, determine if debt service balances are adequate to provide for early retirement of bonds/notes, and if so, determine disposition.					

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
8. Obtain or prepare a summary of bond or note indebtedness activity for the year by bond or note issue.					
9. Confirm bond/note activity for registered bonds/notes if Entity has designated an outside registrar or paying agent.	A,B,C				
10. Determine and document whether a bond or note register is maintained and kept current.					
11. On a test basis, trace paid bonds/notes and coupons to the bond/note register and determine if they have been properly canceled.					
12. Reconcile bonds or notes redeemed and bond or note interest paid to the Entity's books.	D				
13. Summarize bonds/notes and interest due but not paid at year end.					
14. On a test basis, trace bond/note and interest payments to canceled checks. Determine the payee agrees with bond/note and interest records for registered bonds/notes.	D				
15. Test interest expense for reasonableness and test for the possibility of unrecorded debt.	B				
16. Review bonds/notes payable for indications of guarantees and determine the nature of the guarantees and the relationships, if any, of the guarantors to the Entity.					
17. Determine premiums/discounts and issue costs are properly recorded and amortized, if applicable.					
18. If the Entity has a Treasurer's Bond and Interest Account, prepare a workpaper to reconcile checking account receipts and disbursements for bonds and coupons to the Entity's records. Obtain information required for note disclosure.					
H. Capital Leases and Installment Purchases					
1. Review lease and installment purchase agreements.	A				
2. Identify capital versus operating leases according to the criteria in GASB Codification, Section L20.	E				
3. Determine initial proceeds were properly recorded as an other financing source and a disbursement/expenditure was recorded in the proper expenditure account.	D				

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
4. Obtain or prepare summary of payments for operating and capital leases and installment purchase agreements for the next five years and thereafter.	E				
5. Compare summaries to agreements.					
6. Determine fiscal year rental expense (net of leases for one month or less).					
7. Reconcile to payment schedule.	B,D				
I. Judgments and Claims (See also "Insurance and Self-Insurance" section of audit program)	A,B,D				
1. Obtain a listing of judgments and claims against the Entity.					
2. Trace to supporting documentation.					
3. Determine if judgments/claims were paid out of the proper fund.					
J. Compensated Absences					
1. Review the Entity's policies for earned vacation, sick leave and related FICA/IPERS benefits.					
2. Obtain a summary of compensated absences at June 30 and foot the summary.	A				
3. Determine the amounts have been determined in accordance with the provisions of GASB 16, including salary-related payments such as the employer's share of social security and pension plan contributions, as applicable.	C				
4. Distinguish between:	C,E				
a. Matured portion for retirement or resignation not paid at June 30 for governmental funds.					
b. Long-term portion:					
1) due within one year.					
2) due after one year.					
5. Review for reasonableness.	B				
6. Select amounts to test the validity of compensated absences:	A,B,C, D				
a. Trace to supporting data.					
b. Recalculate hourly rate, number of hours earned and unused and extensions.					

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>c. Determine appropriateness of charges to various funds.</p> <p>7. Obtain information for disclosing the nature and evaluation basis of the liability.</p> <p>K. Termination Benefits</p> <p>1. Review the Entity's termination benefits plan and determine that the plan was properly approved.</p> <p>2. Obtain or prepare a list of employees eligible for termination benefits under the plan and the amount of the Entity's current year expense and liability as of June 30.</p> <p>3. Distinguish between:</p> <p>a. Matured termination benefits not paid at June 30 for governmental funds.</p> <p>b. Long-term debt:</p> <p>1) due within one year.</p> <p>2) due after one year.</p> <p>4. Select a number of eligible employees under the plan to determine if:</p> <p>a. The employees meet the requirements noted in the policy.</p> <p>b. The employees were properly approved for participation in the plan.</p> <p>c. The current year expense and liability were properly calculated as of June 30.</p> <p>5. Inquire of Entity personnel about other eligible employees not included in the list.</p> <p>6. Prepare the necessary footnote disclosure, including:</p> <p>a. A general description of the termination benefit arrangements, including, but not limited to:</p> <p>1) Information about the type(s) of benefits provided.</p> <p>2) The number of employees affected.</p> <p>3) The period of time over which benefits are expected to be provided.</p>					
	A				
	C,E				
	A,B,C, D				
	B				
	E				

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>b. The costs of termination benefits in the period in which the employer becomes obligated if the information is not otherwise identifiable from the disclosures on the face of the financial statements.</p> <p>c. The significant methods and assumptions used to determine the termination benefit liabilities and expenses.</p> <p>L. Postemployment Benefits (PEB), including:</p> <ul style="list-style-type: none"> - OPEB (GASB 74/75) - Pension Benefits/Retirement Income (GASB 68) - Pensions other than IPERS (GASB 73) - Sick Leave Dollars Converted to Healthcare (GASB 16/47/75) <p>(Note: For cash basis entities which have not obtained an actuarial report, perform only those procedures necessary to audit the cash basis Other Postemployment Benefits footnote.)</p> <p>1. Obtain copies of personnel policies, employment contracts, union agreements, employee handbook, retirement plans, etc. to gain an understanding of the Entity's PEB agreements/plans and plan membership.</p> <p>2. If the Entity has postemployment benefit plans requiring actuarial calculations, perform the following:</p> <p>a. Obtain a copy of and file the following:</p> <ul style="list-style-type: none"> 1) Plan document(s), including copies of amendments, if any, considered in preparing the actuarial valuation report. 2) Latest actuarial valuation report. (Note: annual or biennial actuary valuation is required.) 3) Census and plan asset data provided to the actuary. 					
	A, B				
	C				

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>b. Determine whether the scope and objectives of the work performed by the actuary are appropriate by reviewing the latest plan documents and compare with key provisions included in the actuarial valuation report. If the report does not include a description of key plan provisions, it may be necessary to confirm the actuary's understanding of such provisions.</p> <p>c. Perform tests of census data provided to the actuary:</p> <ol style="list-style-type: none"> 1) Reconcile aggregate census data, such as the number of employees and covered compensation, to amounts shown in the actuarial valuation report or the actuary's letter. 2) Check selected census data (age, sex, marital status, current pay, term of employment, etc.) to payroll records. Document the items tested. 3) Based on plan documents, make appropriate tests to determine whether all eligible employees are included in the census data provided to the actuary. <p>d. Methods and assumptions used by the actuary:</p> <ol style="list-style-type: none"> 1) Obtain an understanding of the methods and assumptions used by the actuary. (Note: Understanding may be obtained through review of the actuarial valuation report. If basis for methods and assumptions is not clear in the report, consider the need to contact the actuary for clarification.) 2) Review the assumptions used by the actuary to determine PEB liabilities for reasonableness, including performing a comparison of the assumptions used with those in preceding periods (e.g. turnover, retirement age, mortality, disability, projected salary increases, inflation rate, medical trend data, investment return). (Include/ update documentation of assumptions in the permanent file for trend analysis). 					

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>e. Inquire of the Entity as to any intent to terminate the plan.</p> <p>3. If the alternative measurement method was used, perform similar procedures as identified in step 2. (Note: Method is allowed for plans with total membership of less than 100.)</p> <p>4. Determine the appropriate amounts for the total OBEB liability, OPEB expense and deferred outflows/inflows of resources.</p> <p>5. Determine completeness and adequacy of pension liabilities as follows:</p> <p>a. Evaluate and document whether the plan auditor's report and schedule are adequate and appropriate.</p> <p>b. Evaluate whether the plan auditor has the necessary competence and independence.</p> <p>c. Recalculate Entity employer contribution amounts. The allocation percentage and the collective pension amounts allocated to the Entity based on the allocation percentage.</p> <p>6. Determine the accounting and reporting are in accordance with applicable standards for each of the following:</p> <p>a. Governmental activities.</p> <p>b. Business type activities.</p> <p>c. Enterprise Funds.</p> <p>d. Discretely presented component units.</p> <p>7. Determine disclosures and required supplementary information are made in accordance with the applicable standards.</p> <p>(Note: For cash basis entities electing not to obtain actuarial information, disclosures should include plan description, plan participation and legal/contractual requirements.)</p> <p>M. If necessary, prepare a workpaper reconciling debt payments shown on the Statement of Indebtedness to the amounts reported in the schedules if not readily apparent in the financial statements. Explain any variances.</p>	<p>C</p> <p>C,E</p> <p>C,E</p> <p>C,D,E</p> <p>E</p>				

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
N. Pollution Remediation Obligation					
1. For contaminated or polluted sites, determine if an obligating event has occurred requiring the Entity to include a liability for a pollution remediation obligation in accordance with GASB 49.	A,B				
2. Determine the measurement and presentation of the liability and expense was made in accordance with GASB 49.	C,D,E				
3. Determine any insurance or other recoveries are properly reported in accordance with GASB 49 as: <ul style="list-style-type: none"> a. a reduction of the liability and expense for unrealized recoveries. b. an asset and a reduction of the expense for realized recoveries. 	C,D,E				
4. Determine the appropriate disclosures are included in accordance with GASB 49.	E				
O. Asset Retirement Obligations					
1. Determine if the entity has legal obligations to perform future asset retirement activities related to its retirement of tangible capital assets in accordance with GASB 83.	A,B				
2. Determine the measurement and presentation of the liability and corresponding deferred outflow was made in accordance with GASB 83.	C,D,E				
3. Determine the appropriate disclosures are included in accordance with GASB 83.	E				
P. Determine if the Entity has issued any conduit debt obligations (certain limited-obligation revenue bonds, certificates of participation or similar debt instruments issued by an entity for the express purpose of providing capital financing for a specific third party that is not a part of the entity's financial reporting entity) and determine the appropriate disclosures are made in accordance with <u>Interpretation No. 2 of GASB Disclosure of Conduit Debt Obligations</u> :	F				
1. A general description of the conduit debt transaction.					
2. The aggregate amount of all conduit debt obligations outstanding at year-end.					
3. A clear indication the Landfill has no obligation for the debt beyond the resources provided by the related leases or loans.					

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Q. Review the balance available in the Debt Service Fund compared to the outstanding long-term liabilities. If the Debt Service Fund balance is, or will be, sufficient to retire debt within the next year,					
R. Determine if another entity has issued debt on behalf of the Entity. Includes copies of the agreements with the entity permanent file, including repayment schedules. Determine payments made are in accordance with the agreement and appropriate disclosures are included in the financial statements.	F				
S. If the Entity is a Community School District , determine if the District is paying any special assessments. If yes, review propriety of payment from fund charged. Assessments for repairs maybe paid from the General Fund and assessments for improvements may be paid from the PPEL Fund. Obtain sufficient information for disclosure.	A,D,E				
For audits of Landfill Associations/Commissions , complete step T:					
T. Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure care costs.	A,B,C				
1. Obtain copies of applicable federal, state and local laws and regulations affecting MSWLF's that have been approved as of the balance sheet/statement of net position date.					
2. Examine documentation supporting capacity data including estimated capacity and current usage or cumulative capacity used (i.e. recent engineering studies, etc.)					
3. Examine documentation supporting the following elements of estimated total current costs:					
a. Equipment and facilities.					
b. Final cover.					
c. Monitoring and maintenance.					
4. Determine reasonableness of the annual adjustment to the estimated total current costs.					
5. Determine the current period allocation was properly calculated based on the formula in GASB 18.					
6. Determine current period allocation and actual costs were properly recorded.					
a. Proprietary fund:					

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<ol style="list-style-type: none"> 1) Current period allocation recognized as an expense and a fund liability. 2) Determine equipment and facilities, final cover and monitoring and maintenance costs included in the estimated total current cost are reported as a reduction of the accrued liability when they are acquired. 3) Determine capital assets used exclusively for the MSWLF and excluded from the calculation of the estimated total current cost of closure and postclosure care will be fully depreciated by the date the MSWLF stops accepting solid waste. 4) Determine capital assets used for a single cell and excluded from the calculation of the estimated total current cost of closure and postclosure care are fully depreciated by the date each cell is closed. <p>b. Governmental fund:</p> <ol style="list-style-type: none"> 1) Current period allocation recognized as an expense and a fund liability. 2) Recorded as a liability and expense in the governmental activities column in the government-wide statements unless the liability meets the criteria to be included as a fund liability in step 2) below. 3) Determine equipment and facilities, final cover and monitoring and maintenance included in the estimated total current cost of closure and postclosure care are reported as a reduction of the balance sheet liability and as closure and postclosure care expenditures when they are acquired. <ol style="list-style-type: none"> 7. Obtain copies of permits or permit renewals to determine approved periods of operation. 8. Determine if the Landfill is contingently liable when all or part of the responsibility for closure and postclosure care has been transferred to another entity (i.e. 28E organization). 					

ENTITY 2019 Audit Programs

June 30, 2019

LIABILITIES/DEFERRED INFLOWS OF RESOURCES

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
<p>a. Determine if the Entity has agreed to act as a local government guarantor of another entity's closure, postclosure care and/or corrective action costs or has established a local government dedicated fund for the same purpose.</p> <p>b. Consider the financial capability or stability of the assuming entity to meet such obligations when they are due by obtaining recent financial statements of the entity and/or discussions with management.</p> <p>c. Determine the amount of obligation to be reported if it appears the assuming entity will not be able to meet its obligations and the Landfill will be required to pay closure and postclosure care costs.</p> <p>U. Determine if the risk of material misstatement due to fraud or error has changed based on results of substantive tests performed. If so, perform appropriate procedures.</p> <p>V. Determine whether long-term debt is properly classified and disclosures are adequate.</p> <p><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for liabilities and deferred inflows of resources and the results of these procedures are adequately documented in the accompanying workpapers.</p> <p>Incharge _____ Date _____</p> <p>Manager _____ Date _____</p> <p>Independent Reviewer _____ Date _____</p>	E				