

CITY 2018 Audit Programs

June 30, 2018

FUND BALANCE/NET POSITION

PROCEDURE	OBJ.	DONE BY	W/P REF	N/A	REMARKS
Audit Objectives and related assertions:					
A. All and only properly authorized restrictions and commitments of the fund balance are recorded. (1,2,3)					
B. Components of fund balances are determined in accordance with state and local regulations and requirements. (2)					
C. Components of fund balances and changes in fund balances are properly computed and are described, classified and disclosed appropriately, as applicable, in the entity wide and/or fund financial statements. (4,10,11,12,13)					
Audit Procedures:					
A. Reconcile beginning and year-end fund balance. (Note: For convenience, the term "fund balance" is used in this section as a broad term to describe all components of fund equity. Fund equity of proprietary fund types consist of net position, which may have restricted and unrestricted components.)					
B. Analyze and verify the changes in all fund balances and trace to supporting documentation, as applicable.	A,B				
C. Determine the proper classification of nonspendable fund balances in the governmental fund financial statements:	A,B,C				
1. Inventories.					
2. Prepaids.					
3. Long-term amounts of loans/notes receivable.					
4. Property acquired for re-sale.					
5. Permanent endowments or Permanent Funds (nonspendable portion).					
D. Determine restrictions, commitments and assignments of fund balances were properly authorized based on review of the minutes, debt agreements, etc.	A				
E. Determine the proper classification of net position in the entity-wide financial statements:	C				
1. Net investment in capital assets.					
2. Restricted net position:					
a. External restrictions (for example, special levies, local option sales tax (LOST), bond covenants or State legislation).					

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<p>b. Enabling legislation (internal restrictions made by the governing body).</p> <p>c. If permanent endowments or Permanent Funds are included in restricted net position, restricted net position should be displayed in two components (expendable and nonexpendable).</p> <p>3. Unrestricted net position.</p> <p>F. Determine fund balance disclosures are adequate.</p> <p>G. 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><u>ALTERNATE/ADDITIONAL PROCEDURES:</u></p> <p><u>CONCLUSION:</u></p> <p>We have performed procedures sufficient to achieve the audit objectives for fund balance/net position and the results of these procedures are adequately documented in the accompanying workpapers.</p> <div style="display: flex; justify-content: space-between;"> Incharge _____ Date _____ </div> <div style="display: flex; justify-content: space-between;"> Manager _____ Date _____ </div> <div style="display: flex; justify-content: space-between;"> Independent Reviewer _____ Date _____ </div>	C				