Internal Review Checklist for Annual Financial Report

(This tool is to assist in determining the accuracy of the financial information that has been prepared by someone other than the reviewer as part of the internal control system used by management)

Schedules and Reports	Reviewed	Comments & Attachments
☑ **Annual Report Cover Sheet and Review**		
☐ Is the current contact information, signature and MCAG number shown?	☐	
☑ **Bank Reconciliation**		
☐ Does the combined fund total ending balance on the financial statements equal the 12/31 bank statements? **Attach a copy of the bank statements plus the reconciliation worksheet that shows outstanding checks, deposits in transit, and adjustments.**	☐	
☑ **C-4/C-5's Financial Statement**		
☐ Are beginning cash and investments the same as prior year ending? **If not, is there a note to the financial statements discussing the correction to the prior year amount? Were these adjustments reviewed by someone other than finance staff?**	☐ ☐	
☐ Is the ending balance on the financial statements equal to the ending fund balances of Schedule 11 **Note:** If the investments are combined into an "Excess Cash" fund does the ending balance on C4/C5 equal the ending balance on Schedule 11?	☐ ☐	
☐ Do the revenues and expenditures on the statements equal those on Schedules 01?	☐	
☐ Was a C4 prepared for all funds except those funds required to be reported on a C5?	☐	
☐ Was a C5 prepared for all fiduciary funds? (primarily applies to cities and counties)	☐	
☐ Have beginning and ending fund balances been allocated between "unreserved and reserved" fund balances?	☐	
☑ **Notes to the Financial Statements**		
☐ Have the SAO annual updates been incorporated? (refer to the BARS template)	☐	
☐ **Note 1** – does it only show the information that is applicable to your entity?	☐	
☐ "Risk Management" insurance pool – has the most recent text been included?	☐	
○ If applicable is there a separate disclosure for Health/Welfare pools?	☐	
☐ Are the budget figures shown in the notes?	☐	
○ Do they equal the ordinances adopted? Including amendments? **Attach a copy of budget ordinance and amendments**	☐	
☐ Have **"reserved"** fund balances been explained in the notes?	☐	
○ Was an analysis completed to support "reserve" designations?	☐	
☐ **Note #X -Investments** – does this amount equal that shown on the investment bank statements? If not, does the bank reconciliation explain the difference?	☐	
○ Are investments reported at "cost" or "market value"? Was this disclosed in the notes?	☐	
☐ **Note #X- Property Taxes** – does this information equal the ordinance adopted? Does it reflect the taxing information distributed by the county? **Attach copy**	☐	
☐ **Note #X - Inter-fund Loans** – did your entity have any?		
○ Was it adopted by resolution &/or ordinance? (**attach a copy**)	☐	
○ Do the balances, loans and payments shown in the note equal the amounts on Schedule 01 (BARS codes 381/581)?	☐	
☐ **Note #X – Debt Service Requirements** – does the total outstanding debt equal the amortization schedules?	☐	
☐ Does the note reflect the most current SAO format? Segregation between principal and interest, five years individually and then five year increments thereafter?	☐ ☐	
☐ Does the note address **all** debt included in the Schedule 09s?		

☐ **Note - Pension Plans** – there are new reporting requirements for pension liabilities, do the notes to financials reflect this information?	☐	
○ Reflects the proportionate share of the collective net pension liabilities?	☐	
○ LEOFF 1 Plan note disclosure included (if applicable)?	☐	
○ LEOFF 2 Plan note disclosure included (if applicable)?	☐	
○ Volunteer Fire Fighters' and Reserve Officer's Relief and Pension Fund note disclosure included (if applicable)?	☐	
☐ **Other Notes and Disclosures** –		
☐ Compliance and Accountability – if a fund has exceeded its budget or ended the year with a cash deficit has a note been included, in "Other Disclosures"?	☐	
☐ Litigation? Participate in joint ventures?	☐	
☐ OPEB (Other Post Employment Benefits) for LEOFF 1 Retirees? Or PEBB?	☐	
☐ Ongoing capital construction project?	☐	
☐ Corrections from prior years that would have a material impact on the financials?	☐	
☑ Schedule 01 – Detail of Resources		
☐ Are the beginning fund balances the same as the prior year ending? **If not, did someone review these adjustments? Further explanation of review needed.**	☐	
☐ Are the beginning fund balances the same as shown on the Financial Statements?	☐	
☐ Have beginning fund balances been allocated between "unreserved and reserved" fund balances? (308.10.00 or 308.80.00)	☐	
☐ Is there only one (1) general fund being reported?	☐	
☐ Is there only one (1) proprietary fund reported for each activity that reflects all operations?	☐	
☐ Ex. Water Operations + Water Reserve + Water Debt Service = Water Fund	☐	
☐ Are the grand total resources for each fund the same as the totals shown on the Financial Statements?	☐	
☐ Interfund transfers/loans "IN" should equal Schedule 01 "OUT" (397's =597's /381's =581's)	☐	
☐ Has there been a regular review &/or monitoring of resources to feel confident that all revenues have been appropriately recorded in the fund they were intended? **Explain**	☐	
☑ Schedule 01 – Detail of Expenditures		
☐ Is the grand total of actual expenditures (excluding ending fund balances) for each fund equal to the total expenditures on the financial statements?	☐	
☐ Is there only one (1) general fund being reported?	☐	
☐ Is there only one (1) proprietary fund reported for each activity that reflects all operations?	☐	
☐ Ex. Water Operations + Water Reserve + Water Debt Service = Water Fund	☐	
☐ Is there a regular review or monitoring of expenditures to feel confident that the distribution of expenses such as payroll has been appropriately recorded to the fund in which the expense actually occurred? **Explain**	☐	
☐ Have ending fund balances been recorded in each fund?	☐	
☐ Have ending fund balances been allocated between "unreserved and reserved" fund balances?	☐	
☑ Schedule 07 - Disbursement Activity (cities and counties only) NOTE: May be replaced by Schedule 06 in 2017		
☐ Is the beginning balance the same as the ending balance from the prior year?	☐	
☐ Does the total disbursements equal the total on Schedule 11?	☐	
☐ Have there been allocations to the Prior Year and Current Year Open Periods?	☐	
☐ Do the Open period totals equal the approvals made by Council?		

☑ **Schedule 09 - Liabilities**		
☐ Does the schedule reflect ALL outstanding debt and liabilities? ○ Compensated Absences (including 941 tax liability) ○ Liabilities for landfills closure and post closure ○ Notes payable (BANs, TANs, GANs, etc.) ○ Loans and other payment to other governments ○ Miscellaneous debt (lines of credit, etc.) ○ Environmental liabilities (pollution remediation) ○ Claims and judgements (if any) ○ Pension liabilities (GASB 68)	☐	
☐ Does it include installment sales contracts and lease-purchase agreements?	☐	
☐ Are the beginning balances the same as the ending balance from the prior year? If not have, were the adjustments reviewed by someone other than the treasurer?	☐	
☐ Does amount reported as "reduced" equal Schedule 01 principal payment BARS code?		
☐ Does the amount reported as "additions" equal Schedule 01 loan proceeds code?	☐	
☐ Do the ending balances equal the Lending agency annual statement of loan activity?	☐	
Attach copies of year end statements	☐	
☑ **Schedule 11 -Statement of Cash Activity – for cities and counties only NOTE: may be replaced by Schedule 06**		
☐ Ending fund balance equal the combined total of all funds "ending cash" on C4 + C5	☐	
☐ Does the ending fund balance for each fund Schedule 11 = ending fund balance on Schedule 01	☐	
☑ **Schedule 15 and 16 -Schedule of Expenditures of State & Federal awards**		
☐ Has a separate schedule been prepared for federal awards and state awards?	☐	
☐ Is there support documentation that equals the amounts shown on the Schedule 16?	☐	
☐ Did the city receive a federal loan? If so, are the loan proceeds shown?	☐	
☑ **Schedule 19 - Labor Relations Consultant(s)**		
☐ Was this mandatory schedule completed?	☐	
☑ **Schedule 20 - Sales and Use Tax for Public Facilities – Rural Counties**		
☐ Required in Counties Only (except King, Pierce and Snohomish)?	☐	
☑ **Schedule 21 - Risk Management**		
☐ Required if you have self-insured programs such as unemployment (Ex. reimbursable agreements with ESD), worker's compensation or other forms of self-insurance.	☐	
☑ **Schedule 22 - Questionnaire for Audit Assessment**		
☐ Required for most special purpose districts and those entities that either have average annual revenues less than $300,000 or do not receive an on-site audit.	☐	
Print Name of Reviewer:		Date of Review:
Signature of Reviewer:		