

Note : Questions that were added or modified are highlighted in Yellow

Checklist Notes

The questions and statements below are designed to be answered with a "YES." "NO" answers indicate possible statutory violations and internal control weaknesses that should be brought to management's attention and / or disclosed in the notes to the financial statements . This checklist should be used only as a guide. Auditor judgment will be necessary as technology and new accounting guidance are not always addressed in G.S. 159. It is not intended to be all inclusive. A full understanding of the Local Government Budget and Fiscal Control Act (LGBFCA) is essential to a thorough local government or public authority audit in North Carolina. A full text of the LGBFCA can be obtained at the Institute of Government (Publications Office telephone, 919-966-4119) or at website http://ftp.legislature.state.nc.us/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_159.html.

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-8(a)	Is the annual budget ordinance balanced for each fund? The sum of estimated net revenues and appropriated fund balance equal to total appropriations?				
159-8(a)	Is appropriated fund balance equal to or less than the sum of cash and investments less the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as of the close of the fiscal year next preceding the budget year?				
159-9	Does the unit have a budget officer appointed by the governing board or a resolution authorizing management to appoint Budget Officer?				
159-11(b)	Was the budget, together with a budget message, submitted to the governing board?				
159-11(e)	If unit had a property tax re-valuation, did unit include revenue-neutral tax rate in the budget message?				
159-11(e)	If unit had a property tax re-valuation was it calculated in accordance with statute below. The revenue neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, deannexation, merger, or similar event.				
159-12(a)	Was the budget available for public inspection from the date submitted to the governing board until the budget ordinance was adopted?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-12(a)	Was a copy of the budget available to all news media in the county? Was a statement published stating that the budget has been submitted to the governing board and is available for public the governing board, inspection, and is available for public inspection in the office of the clerk to the board? The statement shall give notice of the time and place of the budget hearing.				
159-12(b)	Was a public hearing on the budget held?				
159-13(a)	Did at least 10 days pass between the day the budget was presented to the board and the date the governing board adopted the budget ordinance?				
159-13(a)	Was the budget ordinance adopted by July 1?				
159-13(a)	Does the budget ordinance authorize all expenditures except those authorized by project ordinances, internal service funds, and trust and agency funds?				
159-13(a)	Are appropriations made by department, function or project, and are revenues shown by major source?				
159-13(b)(1)	Was the full amount of estimated debt service budgeted?				
159-13(b)(2)	Was the full amount of any deficit in a fund appropriated?				
159-13(b)(3)	Was the contingency appropriation less than or equal to 5% of all other appropriations? [Exception: public assistance programs]				
159-13(b)(3)	If the annual budget ordinance included a contingency appropriation, were budget amendments properly adopted, which set up an appropriation for the object of expenditure prior to expenditures being charged against the contingency appropriation?				
159-13(b)(4)	Was the tax levied in the annual budget ordinance within the constitutional and statutory limitations?				
159-13(b)(5)	If appropriations were made for purposes for which property taxes cannot be levied without a vote of the people, were the appropriations less than or equal to estimated non-property tax revenues and voted property taxes?				
159-13(b)(6)	Is the estimated tax collection rate in the budget limited to (i) the FY tax collection on motor vehicles for the 9-months ended March 31, and (ii) the actual collection on all other property?				
159-13(b)(7)	Did estimated revenues include only those reasonably expected to be realized?				
159-13(b)(9)	Counties Only -- If appropriations made to a school administrative unit by the county were reduced after the budget ordinance was adopted, did either: a) the board of education agree by resolution to the reduction, or b) a general reduction in county expenditures was required because of prevailing economic conditions?				
159-13(b)(10)	If appropriations were made to another fund from a fund established to account for property taxes levied pursuant to a vote of the people, were the appropriations made only from non-voted tax revenues? (An exception would be appropriations to an appropriate capital reserve fund.)				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-13(b)(13)	Were bond proceeds recorded in the Capital Projects Fund and was appropriation of bond proceeds only made in the following circumstances: a) directly for the purposes stated in the bond order, b) to pay debt service on the bonds issued to raise the proceeds, or c) to a capital reserve fund for eventual expenditure for the purposes stated in the bond order?				
159-13(b)(14)	If transfers were budgeted from enterprise funds to other funds, except the appropriate debt service fund, were revenues first used to meet all costs related to the enterprise, including debt service? No appropriation may be made from a utility or public service enterprise fund to any other fund than the appropriate debt service fund unless the total of all other appropriations in the fund equal or exceed the amount that will be required during the fiscal year, as shown by the budget ordinance, to meet operating expenses, capital outlay, and debt service on outstanding utility or enterprise bonds or notes. A county may, upon a finding that a fund balance in a utility or public service fund used for operation of a landfill exceeds the requirements for funding the operation of that fund, including closure and post-closure expenditures, transfer excess funds accruing due to imposition of a surcharge imposed on another local government located within the State for use of the disposal facility, as authorized by G.S.153A-292(b), to support the other services supported by the county's general fund.				
159-13(b)(15)	Were funds appropriated sufficient to meet the amounts paid during the fiscal year under previously entered into continuing contracts?				
159-13(b)(16)	Appropriated fund balance in a fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as they stood at the prior year's end of year?				
159-13(b)(17)	If appropriations were made from a county reappraisal reserve fund, were the appropriations for the purpose for which the fund was established?				
159-13(b)(18)	If an appropriation was made from a service district fund to any other fund, was it to the appropriate debt service fund or to an appropriate account in a capital reserve fund (unless the district has been abolished)?				
159-13(b)(19)	If appropriations were made from the proceeds of a debt instrument, were the appropriations for purposes for which the debt instrument was issued?				
159-13(b)(19)	If an appropriation was made from a capital project fund established to account for the proceeds of a debt instrument to another fund, the appropriation did not exceed the amount of revenues other than debt instrument proceeds available to the account?				
159-13(c)	Did the budget ordinance contain the property tax levy?				
159-13(d)	Was the budget ordinance entered into the minutes within 5 days after adoption and filed with the finance officer, budget officer and clerk to the governing board?				
159-13.1	If the local government operates internal service fund(s), were balanced financial plan(s) included in its budget ordinance?				
159-13.2(b)	If the local government has capital projects or grant projects, were these adopted either: a) in the budget ordinance, or b) in a project ordinance?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-13.2(c)	If the local government intended to authorize a capital project or a grant project by project ordinance, was the project ordinance adopted before the project was begun?				
159-13.2(c)	If a project ordinance was adopted, was it balanced? Revenues estimated to be available for the project should have equaled appropriations for the project.				
159-13.2(c)	If a project ordinance was adopted, did it clearly identify the project and authorize its undertaking, identify the revenues that will finance the project, and make appropriations necessary to complete the project?				
159-13.2(d)	If a project ordinance was adopted, was it entered in the minutes of the governing board?				
159-13.2(d)	If a project ordinance was adopted, was it filed with the finance officer, the budget officer, and the clerk within 5 days after adoption?				
159-13.2(f)	If applicable, did the budget officer include in the annual budget information concerning: a) the projects expected to be authorized by project ordinances during the budget year, and b) those previously adopted project ordinances that will have appropriations available for expenditure during the budget year? [The ordinance does not have to be included in the annual budget.]				
159-14(a)	For Special districts that have their tax levied and rate approved by a city or county -- Did the special district transmit to the governing board of the city or county a request to levy taxes on its behalf for the budget year at a stated rate?				
159-14(a)	Counties or cities that levy and approve the tax rate for a special district -- If the special district requested a stated tax rate to be levied for the budget year different from the stated rate approved, did the county or city notify the special district?				
159-14(a)	Special districts that set their own tax rate that is levied by a county or city -- Did the special district notify the county or city of the rate it wished to have levied?				
159-14(a)	Special districts that levy their own taxes that are collected by a county or city -- Did the special district notify the county or city of the rate of tax it levied on or before July 15th?				
159-14(b)	Counties or cities that collect taxes for special districts -- If transfers were made from a trust or agency fund established to account for taxes collected on behalf of a special district, were the transfers only to the special district? [Unless the special district has ceased to function.]				
159-14(b)	Counties or cities that collect special assessments for public authorities -- If transfers were made from a trust or agency fund established to account for special assessments collected on behalf of a public authority, were the transfers only to the public authority? [Unless the public authority has ceased to function].				
159-15	If budget amendments were made during the year, did the budget ordinance as amended remain balanced and were expenditures within the requirements of G.S. 159-13?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-15	If budget amendments were made during the year, did the property tax levy and each property taxpayer's liability remain the same throughout the year? [1st exception: a unit must adjust the tax levy under order from a court of competent jurisdiction or by a State agency having the power to compel the levy of the taxes by the board. 2nd exception: If after July 1 a unit receives revenues that are substantially more or less than anticipated, the governing body may before January 1 increase or decrease the property tax levy to account for the unanticipated increase or decrease in revenues.]				
159-15	Is the transfer of any moneys by the budget officer within the limits adopted by local resolution? If the budget officer transferred moneys from one appropriation to another within the same fund, was the transfer reported to the board at its next regular meeting and recorded in the minutes?				
159-16	If an interim budget was adopted, were appropriations only for the payment of salaries, debt service, and the usual and ordinary of the local government?				
159-16	If an interim budget was adopted, were the interim appropriations charged to the proper appropriations in the budget ordinance, when adopted?				
159-17	Were all actions with respect to the adoption or amendment of the budget ordinance or project ordinance taken at a meeting of the governing board by a simple majority of those present and voting with a quorum being present?				
159-17	If a special meeting was necessary to complete work on the budget ordinance that did not meet the notice requirements of G.S. 143-318.12, a) did each member of the board have actual notice of the special meeting, and b) was no business taken up other than consideration of the budget?				
159-17.1	Are all moneys received on account of operation of vending facilities deposited, budgeted, appropriated, and expended in accordance with the Local Government Budget and Fiscal Control Act?				
159-18	If the local government maintains a capital reserve fund, is the purpose of the fund the same as for which the local government could issue bonds?				
159-18	If the local government establishes a capital reserve fund, was the fund established by resolution or ordinance of the governing board? Did the resolution or ordinance state: a) the purposes for which the fund is created, b) the approximate periods of time during which the moneys are to be accumulated for each purpose, c) the approximate amounts to be accumulated for each purpose, and d) the sources from which moneys for each purpose will be derived?				
159-22	If the local government made withdrawals from a capital reserve fund, were the withdrawals received by another fund and budgeted in the other fund? Direct expenditures cannot be made from a capital reserve fund.				
159-22	If the local government made withdrawals from a capital reserve fund, were they for purposes specified in the resolution or ordinance establishing the reserve fund or in a resolution or ordinance amending it?				
159-24	Has a finance officer been appointed?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-25(a)(1)	Has the finance officer of the unit kept the financial records of the unit in accordance with generally accepted principals of governmental accounting and in accordance with the rules and regulations of the Local Government Commission?				
159-25(a)(2)	Has the finance officer disbursed all funds in strict compliance with the LGBFCA and applicable budget/project ordinances? Has the finance officer preaudited all obligations and disbursements? See G.S. 159-28(a).				
159-25(a)(3)	As often as requested by the governing board, did the finance officer prepare and file with the board a statement of the financial condition of the local government or public authority?				
159-25(a)(4)	Does the finance officer receive and deposit all moneys accruing to the unit or supervise the receipt and deposit of moneys by other duly authorized officers or employees?				
159-25(a)(5)	Does the finance officer maintain all records of the unit's bonded debt and other obligations of the local government or public authority, determine the amount of money needed for debt service or the payments of other obligations during the fiscal year, and maintain any required sinking funds?				
159-25(a)(6)	Does the finance officer supervise the investment of idle funds? [See G.S. 159-30(c) further details of allowable investments.]				
159-25(b)	Are the checks or drafts on the official depository signed by the finance officer or a properly designated deputy finance officer and countersigned by another official of the local government designated by the board for this purpose. [If the board makes no other designation, the chairman of the board or chief executive officer shall countersign these checks and drafts.]				
159-25(b)	If all checks are not signed by the finance officer and countersigned by another official, has the governing board of the local government or public authority waived the dual signature requirement? [The board should determine that the internal control procedures allow for the absence of dual signatures before waiving this requirement.]				
159-26(a)	Does the accounting system show in detail the assets, liabilities, equities, revenues and expenditures of the unit?				
159-26(a)	Does the accounting system also show appropriations and estimated revenues as established in the budget ordinance and each project ordinance, as originally adopted and subsequently amended?				
159-26(b)	Does the local government or public authority maintain in its accounting system such funds and account groups applicable to it as fixed by generally accepted accounting principals?				
159-26(b)(2)	Does the unit maintain special revenue funds for the following purposes: a) to account for functions or activities financed fully or in part by property tax approved by a vote of the people, or b) to account for service districts established pursuant to the Municipal or County Service Districts Acts, or c) to account for grant project funds?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-26(b)(2)	If more than one function is accounted for in a single fund established for those purposes, are separate accounts established in the appropriate fund for each function, district, or project?				
159-26(b)(4)	Is each utility or enterprise operated by the local government or public authority accounted for in a separate fund? Note that water and sewer operations may be combined in one fund if they are operated as a consolidated system.				
159-26(b)(6)	Are proceeds of each bond order or order authorizing any debt instrument accounted for in capital project funds?				
159-26(b)(6)	If a unit accounts for the proceeds of two or more bond orders or orders authorizing any debt instrument in one capital projects fund, are the proceeds of each such order and other revenues associated with that order separately accounted for in the fund?				
159-26(b)(7)	Is a trust or agency fund used to account for each special district, public authority, or school administrative unit whose taxes or special assessments are collected by the unit?				
159-26(b)(8)	Does the local government or public authority maintain a ledger or group of accounts in which to record the details relating to the general fixed assets of the unit or public authority?				
159-26(b)(9)	Does the local government or public authority maintain a ledger or group of accounts in which to record the details relating to the general obligation bonds and notes and other long-term obligations of the unit?				
159-26(b)	If applicable, does the local government or public authority maintain other funds as required by other statutes or by State or federal regulations?				
159-26(d)	If the unit is a county with a population exceeding 50,000 or a municipality with a population exceeding 10,000, does the accounting system record and show the encumbrances outstanding against each category of expenditure appropriated in its budget ordinance? [Note that it is permissible for units below these population levels to show encumbrances in their accounting systems.]				
159-27(a)	Does the finance officer distribute property tax collections among the appropriate funds in accordance with the budget ordinance at least monthly?				
159-27(b)	When taxes are collected during the current fiscal year that were levied in any one of the two immediately preceding fiscal years, are those tax collections distributed to the appropriate funds according to the levy of the fiscal year in which they were levied?				
159-27(b)	When taxes are collected during the current fiscal year that were levied in any one of the two immediately preceding fiscal years for which a fund is not being maintained in the current fiscal year, is the proportionate share of the tax that would have been distributed to the discontinued fund allocated a) to the fund from which the activity or function for which the tax was levied is then being financed, or b) to the general fund if the activity or function for which the tax was levied is no longer being performed.				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-27(c)	When taxes are collected during the current fiscal year that were levied in any prior fiscal year other than one of the two immediately preceding fiscal years, are they distributed at the discretion of the governing board either: a) to the general fund, or b) in accordance with G.S. 159-27(b) above?				
159-28(a)	Before an obligation is incurred by the unit in a program, function, or activity accounted for in a fund included in the budget ordinance, capital project or a grant project authorized by a project ordinance, is there an appropriation in the budget ordinance authorizing the obligation and an unencumbered balance remaining in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year?				
159-28(a)	If an obligation is evidenced by a written contractor agreement requiring the payment of money or by a purchase order for supplies and materials, does the contract, agreement or purchase order include on its face a certificate stating that the instrument has been preaudited? If the obligation or document related to the obligation has been approved by the Local Government Commission, no certificate shall be required. Is the instrument signed by the finance officer or deputy finance officer approved for this purpose by the governing board? [Note that an obligation incurred in violation of this statute is invalid and may not be enforced.]				
159-28(b)	Before the finance officer approves a claim involving a program, function, or activity accounted for in a fund included in the budget ordinance or a capital project or a grant project authorized by a project ordinance, does the finance officer: a) determine the amount to be payable, and b) determine that the budget ordinance or project ordinance includes an appropriation authorizing the expenditure and either i) an encumbrance has been created for this transaction or, ii) an encumbered balance remains in the appropriation sufficient to pay the amount to be disbursed?				
159-28(b)	Before the finance officer approves a claim requiring disbursement from an internal service fund or a trust or agency fund not included in the budget ordinance, does the finance officer determine the amount claimed to be payable?				
159-28(c)	If the board approves a bill, invoice, or claim that the finance officer has previously disapproved, is there an appropriation in the budget ordinance or project ordinance for the transaction and an unencumbered amount greater than or equal to the amount to be paid?				
159-28(c)	If the governing board approves a bill, invoice, or claim that the finance officer has previously disapproved, was the approval made by formal resolution, entered into the minutes which includes the names of members voting in the affirmative stating the reasons for allowing the bill, invoice, or other claim?				
159-28(c)	If the board approves a bill, invoice, or claim that the finance officer has previously disapproved, is the preaudit certificate signed by the chairman of the board or some other member designated for this purpose?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-28(d)	Does each check bear on its face a preaudit certificate signed by the finance officer or deputy finance officer approved for this purpose by the governing board? [Note the exception in G.S. 159-28(c) above. Also, no certificate is required on payroll checks or drafts in an imprest account in an official depository, if the check or draft depositing the funds in the imprest account carried a signed certificate.]				
159-28(d)	Are all bills, invoices, salaries, or other claims paid by a check or draft on an official depository or by a bank wire/electronic transfer from an official depository?				
159-28.1	If facsimile signatures are used, have they been provided for by appropriate board resolution or ordinance?				
159-28.1	If facsimile signatures are used, has the board charged the finance officer or other bonded officer or employee with the custody of the necessary machines, stamps, or other devices and are they in the charged person's custody?				
159-29(a)	Does the finance officer have a true accounting and faithful performance bond with sufficient sureties in an amount fixed by the governing board of not less than \$50,000? [Note that the unit should pay the premium.]				
159-29(b)	Does each officer, employee, or agent handling or having in his custody over \$100 at any time or who has access to the unit's inventories, have a faithful performance bond before being entitled to assume his duties? [Note: The unit should pay the premium.]				
159-29(b)	Is each performance bond deposited with the clerk to the board?				
159-29(c)	If the local government or public authority adopts a system of blanket performance bonding as an alternative to individual bonds, are the finance officer and tax collector each covered by individual bonds? [Note: They may be covered under the blanket bond in addition to their individual bonds.]				
159-30(a)	Does the finance officer have the authority to purchase, sell and exchange securities, or authorize such transactions, on behalf of the governing board?				
159-30(b)	Are the local government or public authority's deposits in banks, savings and loan associations, or trust companies which are located in North Carolina? [Exception in 159-30(b1) for certain CD's. See next question]				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-30(b)(1)	<p>Do deposits not meeting the question above meet the following 5 criteria:</p> <p>1) Funds are initially deposited through a bank or savings and loan association that is an official depository and that is selected by the finance officer.</p> <p>2) Selected bank or savings and loan association arranges for the redeposit of funds in deposit accounts of the local government or public authority in one or more federally insured banks or savings and loan associations wherever located, provided that no funds shall be deposited in a bank or savings and loan association that at the time holds other deposits from the local government or public authority.</p> <p>3) The full amount of principal and accrued interest of each deposit account are covered by federal deposit insurance.</p> <p>4) The selected bank or savings and loan association acts as custodian for the local government or public authority with respect to the deposit in the local government's or public authority's account.</p> <p>5) On the same date that the local government or public authority funds are redeposited, the selected bank or savings and loan association receives an amount of federally insured deposits from customers of other financial institutions wherever located equal to or greater than the amount of the funds invested by the local government or public authority through the selected bank or savings and loan association.</p>				
159-30(c)	Are the local government or public authority's investments limited to only the classes of securities specifically listed in G.S. 159-30(c)?				
159-30(c)(1)	If the unit invests in United States securities, are they direct obligations of the United States, or obligations fully guaranteed as to principal and interest by the United States?				
159-30(c)(2)	If the unit invests in obligations of federal agencies or instrumentalities, are they obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service?				
159-30(c)(3)	If the unit invests in State or local government bonds or notes, are they obligations of the State of North Carolina, or bonds or notes of a unit of local government or public authority in North Carolina?				
159-30(c)(6)	If a unit invests in commercial paper, is it prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation? [That is, if commercial paper is rated by two nationally recognized rating services, both ratings must be the highest.]				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-30(c)(7)	If the unit invests in bankers acceptances, is the accepting bank or its holding company: a) incorporated in North Carolina, or b) does it have outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations?				
159-30(c)(8)	If the unit invests in participating shares in a mutual fund, is it the North Carolina Capital Management Trust?				
159-30(c)(9)	If the unit invests in a commingled investment pool, is the pool established and administered by the State Treasurer? (Applicable to STIF accounts)				
159-30(c)(11)	If the unit invests in stripped instruments, are they evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian?				
159-30(c)(12)	If the unit invests in repurchase agreements, a) are the underlying securities direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States (i.e. Treasuries or GNMA), and b) are agreements either with an FDIC insured bank or a "primary dealer" as recognized by the Federal Reserve Bank, and c) are the underlying securities delivered, either physically or in book entry, to the investing unit or authority, to an agent of the unit or authority, or to a third party depository provided that the financial institution serving as trustee or fiscal agent for the unit is not the provider of the repurchase agreement, and d) are the values of the underlying obligations maintained at a current market value, calculated at least daily, of not less than 100% of the repurchase price, and e) has a valid and perfected security interest in the underlying obligations been granted to the local government or public authority, and f) are the securities free and clear of any adverse third party claims?				
159-30(c)(13)	Arbitrage Funds Only -- If funds subject to arbitrage rebate are invested in a mutual fund, is it a mutual fund that: a) limits its own investments to tax exempt obligations, or b) invests in taxable obligations, if the fund provides arbitrage calculation services to the investing units and authorities? Also are the mutual fund investments limited to those bearing one of the two highest ratings of at least one nationally recognized rating service and not bearing a rating below one of the two highest ratings by any nationally recognized rating service which rates the particular fund?				
159-30(d)	Are securities and deposit certificates in the custody of the finance officer or in the custody of the trust department of a bank that is a member of the Federal Reserve System, with such trust department having a custodial agreement with the unit of government or public authority?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-30(e)	Is the interest earned on investments and deposits prorated and credited to the various funds on the basis of the amount thereof invested?				
159-30(e)	Is interest earned on the deposit or investment of bond funds considered to be part of the bond proceeds?				
159-30.1 & .2	Did local governments or public authorities who established an irrevocable trust for other post employment benefits (including law enforcement special separation allowance) 1) establish fund by board resolution or ordinance which state purpose for which fund was created and method of determining and selecting Fund's trustees. [Future amendments may not authorize the use of monies in the trust for purpose not stated in the resolution or ordinance establishing the trust] 2) establish the irrevocable trust with the NC State Treasurer? If OPEB trust arrangement was not with the North Carolina State Treasurer then authorization was by general assembly in local legislation?				
159-30.1 & .2	No deposits were made by the unit that would cause the balance in the OPEB trust fund to exceed the actuarial liability determined in accordance with GASB.				
159-31(a)	Has the governing board designated its official depositories?				
159-31(a)	Do the official depositories have branches in North Carolina?				
159-31(a)	If the unit or public authority has designated a state bank or trust company located in another state as an official depository for the purpose of acting as fiscal agent, has the Secretary of the LGC given written permission?				
159-31(a)	Has the unit or authority reported the name and address of each designated depository to the Secretary of the Local Government Commission? This is usually done with submission of INV-91 every June 30th.				
159-31(b)	<p>Are all deposits secured by either deposit insurance, surety bonds, or investment securities of such nature, in a sufficient amount to protect the local government or public authority? The investment securities for the deposits are held by: a) an official depository using the Dedicated Method [the securities held by the unit's agent, in the unit's name, are sufficient to collateralize the amounts above Federal Deposit Insurance amounts; required agreements INV-94A and INV-94B have been executed; and the finance officer is responsible for maintaining securities at sufficient levels to ensure Collateralization], or b) an official depository using the Pooling Method of collateralization? [A listing of those institutions using the Pooling Method is published as of 6/30 and 12/31 by the Local Government Commission at web site:</p> <p>http://www.nctreasurer.com/DSTHome/StateAndLocalGov/AuditingAndReporting/DepositInvestmentForms.htm.]</p>				
159-32	Are all moneys received by officers and employees deposited daily with the finance officer or in an official depository, unless the governing board has given its approval to require deposits only when the moneys on hand amount to as much as \$250?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-32	If the governing board has given its approval to require deposits only when moneys on hand amount to as much as \$250, is the \$250 deposit requirement adhered to, and are deposits made on the last business day of the month?				
159-32	Is the finance officer notified of deposits to official depositories by means of a duplicate deposit ticket?				
159-32.1	If a unit of local government is accepting electronic payments, are they assessing a surcharge to these payments? If so, is this surcharge allowed under their operating agreement with the credit card companies, the debit card issuers, etc.?				
159-33	Has the finance officer completed the required semi-annual report on deposits and investments in a timely manner? I.E. Form LGC-203.				
159-33	If any of the investments have been declared ineligible investments, has the unit complied with the appropriate schedule for divesting of the security?				
159-33.1	Have all other annual and semi-annual reports been filed on a timely basis? (the Annual Financial Information Report)				
159-34(a)	Has the local government or public authority have its accounts audited annually? If applicable, did the audit include a single audit?				
159-34(a)	Has the auditor been selected by, and does the auditor report to the governing board?				
159-34(a)	Has an audit contract been approved that: a) is in writing, b) includes the entire entity in the scope of the audit, c) requires that a type-written or printed report be prepared, d) includes all the terms and conditions and, e) is submitted to the Secretary of the LGC for his approval?				
159-34(a)	Are the financial statements prepared in accordance with generally accepted accounting principles?				
159-34(a)	Has an audit been performed in accordance with generally accepted auditing standards?				
159-34(a)	Has an audit report been filed with the Secretary of the Local Government Commission?				
159-34(a)	Has the finance officer submitted all bills or claims for audit fees to the LGC for approval?				
159-34(a)	Has the local government or public authority received approval from the LGC prior to paying bills or claims for audit fees?				
159-34(a)	Has each officer and employee of the local government or public authority having custody of public money or responsibility for keeping records of public financial or fiscal affairs produced all books and records requested by the auditor and divulged such information relating to fiscal affairs as requested by the auditor?				
159-34 (c)	If Local governments and public authorities expend \$100,000 or more in combined federal or state financial assistance, was audit performed in accordance with Governmental Auditing Standards (GAGAS)				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-34 (c)	If Local governments and public authorities expend \$500,000 or more in federal financial assistance and/or expend \$500,000 or more in state financial assistance, was audit preformed in accordance with OMB Circular No. A-133.				
159-36(a)	Has the unit levied taxes or allocated revenues in an amount sufficient to meet all installments of principal and interest falling due on its debt during its budget year?				
159-36(a)	If the local government or public authority has not levied taxes or allocated revenues in an amount sufficient to meet all installments of principal and interest falling due on its debt during the budget year, has the unit complied with the Commission's order within 10 days to enact a budget ordinance levying the necessary taxes or raising the necessary revenue?				
Public Hospitals Only					
159-39(c)	Does the public hospital operate under an annual balanced budget? A budget is balanced when the sum of appropriations is equal to the sum of estimated net revenues and appropriated fund balance.				
159-39(d)	Has the governing board of the public hospital appointed or designated a finance officer?				
159-39(d)(1)	Does the finance officer of the public hospital prepare the annual budget for presentation to the governing board and administer the budget as approved by the board?				
159-39(d)(2)	Does the finance officer of the public hospital keep the accounts of the hospital in accordance with generally accepted accounting principles?				
159-39(d)(3)	Has the finance officer of the public hospital prepared and filed a statement of the financial condition of the hospital upon the request of the hospital governing board or the governing board of any county, city, or other unit of local government that has issued on behalf of the hospital and has outstanding its general obligation or revenue bonds or makes current appropriations to the hospital (other than appropriations for the cost of medical care to prisoners and indigents)?				
159-39(d)(4)	Has the finance officer of the public hospital received and deposited all moneys accruing to the hospital or supervised the receipt and deposit of money by other duly authorized officers or employees of the hospital?				
159-39(d)(5)	Has the finance officer of the public hospital supervised the investment of idle funds of the hospital?				
159-39(d)(6)	Has the finance officer of the public hospital maintained all records concerning the bonded debt of the hospital, if any, and determined the amount of money that will be required for debt service during the fiscal year? [Note that the finance officer of the hospital is not responsible for records concerning the bonded debt of any county, city, or other unit of local government incurred on behalf of the hospital.]				
159-39(f)	Is the hospital's accounting system so designed that the true financial condition of the hospital can be determined at any time?				
159-39(f)	Have the accounts been audited by a certified public accountant?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-39(f)	Has the auditor been selected by and does the auditor report to the hospital governing board?				
159-39(f)	Is the audit contract written and has it been submitted to the Secretary of the Local Government Commission?				
159-39(f)	Has the finance officer filed a copy of the audit with the Secretary of the Local Government Commission?				
159-39(f)	Has the finance officer filed a copy of the audit with the finance officer of any county, city, or other unit of local government that has issued on behalf of the hospital and has outstanding its general obligations or revenue bonds or makes current appropriations to the hospital (other than appropriations for the cost of medical care to prisoners or indigents)?				
159-39(g)	Does the public hospital deposit and invest its cash balance pursuant to G.S. 159-30. [note: Reserves, sinking funds, or any funds not required for immediate disbursement can be invested with the State Treasurer for investment pursuant to G.S. 147-69.2? [See G.S. 159-30 in this checklist.]				
159-39(h)	Does the public hospital select an official depository and secure deposits subject to G.S. 159-31? [See G.S. 159-31 in this checklist.]				
159-39(i)	Does the public hospital make daily deposits subject to G.S. 159-32?[See G.S. 159-32 in this checklist]				
159-39(j)	Does the public hospital file semiannual reports on the status of deposits and investments with the LGC subject to G.S. 159-33? [See G.S. 159-33 in this checklist.]				
159-39(k)	If the public hospital has outstanding debt, has it allocated revenues in an amount sufficient to meet all installments of principal and interest falling due on its debt during the budget year?				
	Joint Municipal Power Agencies and Joint Municipal Assistance Agencies				
159-41(c)	Does the joint agency operate under an annual balanced budget resolution adopted by the governing board and entered into the minutes? A budget is balanced when the sum of the appropriations is equal to the sum of estimated net revenues and appropriated fund balance.				
159-41(d)(1)	Does the budget resolution include the full amount estimated by the finance officer to be required for debt service during the budget year?				
159-41(d)(2)	Does the budget resolution include an appropriation to fund the full amount of any deficit in each budget?				
159-41(d)(3)	Does the budget resolution include sufficient funds to meet the amounts to be paid during the fiscal year under previously entered into continuing contracts?				
159-41(d)(4)	In the budget resolution, does the sum of estimated net revenues and appropriated fund balance in each fund equal the appropriations in that fund?				
159-41(d)(4)	In the budget resolution, is appropriated fund balance in a fund less than or equal to the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenue, as those figures stand at the close of the fiscal year preceding the budget year?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-41(e)	If the designated finance officer has transferred moneys from one appropriation to another, subject to such limitations and procedures prescribed by the board, are such transfers reported to the governing board or its executive committee at its next regular meeting and entered in the minutes?				
159-41(f)	Has the joint agency complied with the following sections of the LGBFCA? [See corresponding sections of this checklist]: G.S. 159-9, provided, however, that the governing board of an agency may designate as budget officer someone other than a member of the governing board or an officer or an employee of the agency; G.S. 159-12, provided, however that the provision relating to making the budget available to the news media of the county shall not apply to a joint agency; G.S. 159-13.2; G.S. 159-16; G.S. 159-18; G.S. 159-22, provided, however, that the provision restricting transfers to funds maintained pursuant to G.S. 159-13(a) shall not apply to a joint agency; G.S. 159-24;G.S. 159-25; G.S. 159-26; G.S. 159-28; G.S. 159-28.1; G.S. 159-29; G.S. 159-30; G.S. 159-31; G.S.159-32; G.S. 159-33; G.S. 159-33.1; G.S. 159-34, G.S. 159-36, and G.S. 159-38?				
Public Housing Authorities					
159-42 (c)	Housing Authority operated under an annual budget were estimated revenues plus fund balances available for the program, as defined by the U.S. Department of Housing and Urban Development regulations are equal to or greater than estimated expenditures.				
159-42 (c)	Was the annual budget available for public inspection from the date submitted to the governing board until the budget ordinance was adopted?				
159-42 (c)	Has the Housing Authority published notice of the public hearing on the annual budget, once a week for two consecutive weeks prior to the public hearing on the budget.				
159-42(d)	Has the Housing Authority adopt a project ordinance for programs which span two or more fiscal years?				
159-42(d)	Annual budget did not include estimated revenue and expenditures accounted for in the project ordinance except in an informational basis.				
159-42(d)	If the local government intended to authorize a capital project or a grant project by project ordinance, was the project ordinance adopted before the project was begun?				
159-42(d)	All project ordinances shall be in accordance with the relevant funding agency guidelines for that project.				
159-42(d)	All project ordinances have estimated revenues plus fund balances available equal to or greater than the estimated expenditures.				
159-42(d)	If a project ordinance was adopted, did it clearly identify the project and authorize its undertaking, identify the revenues that will finance the project, and make appropriations necessary to complete the project?				
159-42(d)	If a project ordinance was adopted, was it entered in the minutes of the governing board?				
159-42(d)	If a project ordinance was adopted, was it filed with the finance officer, the budget officer, and the clerk within 5 days after adoption?				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-42(d)	If applicable, did the budget officer include in the annual budget information concerning: a) the projects expected to be authorized by project ordinances during the budget year, and b) those previously adopted project ordinances that will have appropriations available for expenditure during the budget year? [The ordinance does not have to be included in the annual budget.]				
159-42(e)	Has the Housing Authority appointed or designated a finance officer?				
159-42(e)	Has the finance officer of the unit kept the financial records of the Housing Authority in accordance with generally accepted principals of governmental accounting and in accordance with the rules and regulations of the Local Government Commission?				
159-42(e)	As often as requested by the governing board, did the finance officer prepare and file with the board a statement of the financial condition of the housing authority?				
159-42(e)	Does the finance officer receive and deposit all moneys accruing to the housing authority or supervise the receipt and deposit of moneys by other duly authorized officers or employees?				
159-42(e)	Does the finance officer supervise the investment of idle funds pursuant to U.S. Department of Housing and Urban Development regulations?				
159-42(e)	Does the finance officer maintain all records of the housing authority's bonded debt and other obligations of the housing authority, determine the amount of money needed for debt service or the payments of other obligations during the fiscal year, and maintain any required sinking funds?				
159-42(f)	Has the housing authority complied with federal rules and regulations issued by the U.S. Department of Housing and Urban Development pertaining to receipt, deposit, investment, transfer, and disbursement of money and other assets?				
159-42(g)	Is accounting system designed that the true financial condition of the housing authority can be determined at any time?				
159-42(g)	Has the housing authority had accounts audited by certified public accountant selected by housing authority governing board and reporting directly to the board?				
159-42(g)	Has an audit report been filed with the Secretary of the Local Government Commission?				
159-42(g)	The housing authority had a written audit contract including the scope of audit and the requirement for a written report which includes financial statements, auditor's opinion and comments from the auditor?				
159-42(h)	Does the finance officer have a true accounting and faithful performance bond with sufficient sureties in an amount fixed by the governing board of not less than \$50,000? [Note that the unit should pay the premium.]				
159-42(h)	Does each officer, employee, or agent handling or having in his custody over \$100 at any time or who has access to the housing authorities inventories, have a faithful performance bond before being entitled to assume his duties? [Note: The unit should pay the premium.]				

General Statute Reference	Attribute	Yes	No	N/A	Initials WP ref.
159-42(h)	If the housing authority adopts a system of blanket performance bonding as an alternative to individual bonds, is the finance officer covered by individual bonds? [Note: He may be covered under the blanket bond in addition to their individual bonds.]				
159-42(j)	Has housing authority complied with 159-31, selection of depositories and security of deposits, except in those circumstances where the statute is in conflict with U.S. Department of Housing and Urban Development?				