

## 4. REPORTING

### 4.7 SAO Annual Report Schedules

#### 4.8.10 Questionnaire for Small Local Government Accountability Audits (Schedule 22)

##### INSTRUCTION

4.8.10.10 This Schedule is required for local governments with annual revenue usually less than \$300,000 and some governments with annual revenues between \$300,000 and \$500,000 who will not receive an onsite audit. For purposes of this threshold, annual revenues include tax collections, grants, and other receipts, but not bond proceeds or other non-revenues. A current year increase in revenue above the \$300,000 threshold from a grant or bond does not preclude the government for completing the Schedule.

4.8.10.20 If you are unsure whether or not your government should complete the Schedule 22, please contact us by submitting your question through the SAO Client HelpDesk online or contact the Local Government HelpLine at (360)725-5592 and leave a message.

##### FREQUENCY OF SMALL LOCAL GOVERNMENT ACCOUNTABILITY AUDITS

4.8.10.30 Current audit policy requires our Office to conduct certain audits, including small local government accountability audits every two years. This does not limit our ability to initiate or conduct special investigations and also would not prevent clients from requesting more frequent audits due to need or preference. **The government's Annual Report including the Schedule 22 must be submitted on an annual basis as required by RCW [43.09.230](#).** If you want the SAO to audit your government on an annual basis, instead of every two years, please contact us through the Client HelpDesk or Local Government Helpline.

#### 4.8.10.40 INSTRUCTIONS FOR PREPARER

- All questions must be answered and all required attachments must be included for the schedule and annual report to be considered complete.
- Attachments should be submitted online using the attachments upload process which is the next step immediately following the completion of the Schedule 22 in the online annual report submission process. The system will allow you to return to this step after completing the other schedules. If you cannot file online, the attachments may be printed and mailed or mailed to us on a CD or other electronic format.
- Mailing Address:           Local Government Support Team
  - Annual Report
  - PO Box 40031
  - Olympia WA 98504-0031

Question 1     Enter the total revenue of the government for the year excluding beginning fund balance, proceeds of debt or transfers between funds. Revenue is defined as an increase in financial resources (e.g., taxes, grants, assessments, interest, etc.) and does not include debt proceeds or transfers. Revenue recorded on line 1 should match total revenues reported by source on the Schedule 01.

Question 2 Enter the total proceeds of any loans, debt issuances, registered warrants, vendor financing agreements and lines of credit received during the year. This amount should not include funds reported as revenue in question #1 above. Debt reported on line 2 should match additions to debt reported on the Schedule 09.

4.8.10.50 ATTACHMENTS

Attachments can be uploaded using the upload process which immediately follows the completion of the Schedule 22 using the online annual report submission process.

Please provide the following information:

4.8.10.60 Minutes

RCW 42.32.030 requires “minutes of all regular and special meetings except executive sessions of such boards, commissions, agencies or authorities shall be promptly recorded and such records shall be open to public inspection.”

Provide copies of the official minutes, all resolutions and/or ordinances for all meetings of the governing body held during the reporting year. If this information is available on the government’s website, no attachments are needed; just indicate the web address where the minutes can be found. Provide an explanation of any circumstances where minutes were not taken or are otherwise not available.

4.8.10.70 Billed and Received Revenues

List and describe all types of revenues received directly by the government. Many governments do not bill or receipt revenues directly but instead only receive taxes or state funds through the county treasurer. However, other governments receive some or all of their revenues directly and deposit these with the county or in a bank account. Only these types of directly received revenues need be reported.

Directly-receipted revenues should be briefly described and associated questions answered.

For example:

Description of Revenue	Please answer the following questions regarding this revenue
Water hook-up fee	How much revenue was received during the fiscal year: \$4,000 Are receipts or statements given for revenue received? no How often are receipts deposited? weekly Are receipts reconciled to deposits by someone who does not handle cash? Deposits reconciled by the board chair on a monthly basis
Water charges	How much revenue was received during the fiscal year: \$46,217 Are receipts or statements given for revenue received? yes, monthly statements How often are receipts deposited? weekly Are receipts reconciled to deposits by someone who does not handle cash? yes, by the board chair on a monthly basis

As stated above, attachments may be photocopies or documents saved to electronic media.

See the accounting section of the BARS Manual for detailed guidance on cash receipting.

4.8.10.80

Disbursements

Attach a detailed report of all expenditures for the year. The attachment should list all expenditures made during the fiscal year and include the following minimum information:

- Warrant/check number
- Payee
- Date paid (i.e., warrant date)
- Amount paid

If the county treasurer is used, a warrant register or expenditure listing can normally be obtained from the county showing this information.

4.8.10.90

Receipting Policy

Every government that receives cash or checks should have a written policy/procedure that directs staff how to process receipts when received either over the counter, through the mail or in a drop box. The policy should address receipting, securing receipts, depositing and accounting for receipts.

4.8.10.100

Major Purchases

Attach a list all major construction projects or purchases of materials, equipment or supplies occurring during the year. For each of these projects or purchases, note the total amounts expended and briefly describe the procurement process used.

For example:

Describe Purchase or Project	Total Amount of Purchase or Project	Describe Procurement Process (e.g., use of formal sealed bids, written or phone quotes, use of small works roster, etc.)
Construction of back parking lot for Greenway fire station	\$13,540	Five written quotes from local contractors on our small works roster
Purchase of fire engine	\$183,354	Advertised and conducted formal sealed bid request.

If unsure about applicable bid thresholds, you can check the Municipal Research and Services Center of Washington (MRSC) website at [www.mrsc.org/Subjects/PubWorks/pb/pbintro.aspx](http://www.mrsc.org/Subjects/PubWorks/pb/pbintro.aspx).

4.8.10.110

Board Members

Attach a listing of all board members holding office during the year. List the full name of each member of the governing body and then list any paid positions (full or part-time employment) held by the official and any business owned or operated by the official or a spouse during the period of the audit. This information is needed to evaluate conflict of interest statutes.

For example:

Name of Official	Occupation	Businesses Owned or Operated by Official or Spouse
Joan Smith	retired	None
Manny Jones	general contractor – self employed	Manny & Sons Construction Stoneybrook Developments, LLC

4.8.10.120

Employees and Volunteers

Attach a listing of the name and position title of all employees, including both paid and volunteer staff in full or part time positions.

4.8.10.130 Cash and Investments

Attach a listing of all cash and investments held during the year. Enter a description and the ending balance for each account or investment. For money held by the county, the balance should be the total cash and investments shown for each fund in the year end county treasurer report. For money in bank accounts, the balance should match the bank account statement for the last month of the fiscal year.

*Description of Account* should indicate the purpose and location of the account.

For example:

Description of Account	Fiscal Year End Balance
County Fund 6654: Fire #7 Expense	\$64,940
County Fund 6655: Fire #7 EMS	\$7,663
County Fund 6657: Fire #7 2006 LTGO Bond	\$13,658
Onsite Petty Cash	\$300
Bank of the West: Checking	\$5,654
Bank of the West: Imprest Fund - closed	\$0
Bank of America: Imprest Fund	\$546

4.8.10.140 Rates and Fees

As applicable, attach official rate and fee schedule(s) in place during the reporting year for any revenues billed or received directly.

4.8.10.150 Conflict of Interest

List of all goods and services purchased from governing body members or business they had an interest in during the reporting year.

4.8.10.160 Accounts Receivable

If revenues are billed and there are amounts outstanding (unpaid) at the end of the year, attach a report or schedule that lists the receivables. The report (commonly known as an *aging report*) should include the following minimum information:

- Account name
- Amount due
- Number of days since the amount was billed. If this information is not available, include the date of the original billing.

4.8.10.170 Account Write Offs

List any amounts sent to a collections agency or written-off during the year. Write-offs represent money that the government has either forgiven/canceled or has given up on the possibility of collecting.

4.8.10.180 Annual Report Certification

The certification statement refers to all the information provided in the annual report, including this schedule, and all attachments. The representations should be signed by the person(s) completing the report.

Representations do not alter or add to the fundamental responsibilities of employees or officials. Rather, they acknowledge and attest to management's existing responsibilities for reporting, compliance and safeguarding of public resources. We understand that representations made are not a guarantee, but rather constitute a good faith statement to the best of your knowledge and belief. Although the State Auditor's Office has drafted this schedule, the representations are yours. The completed certification page can be returned by mail, faxed to (360)586-6571, or scanned into PDF and uploaded using the annual report upload process described earlier. If you are not sure about the meaning of a particular representation or feel that you cannot make a representation, please contact us by submitting your question through the SAO Client HelpDesk online or contact the Local Government HelpLine at (360)725-5592 and leave a message.

#### 4.8.10.190 Printing

To print a copy of the completed Schedule for your records:

1. Make sure you have completed the Schedule (it will not print answer options for uncompleted questions);
2. Click *View Printable Format* on the right upper side of the Schedule;
3. Click the print icon on the gray navigation bar on the Schedule, this will take you to your print options;
4. Select *Landscape Orientation*, select print (the document should print);
5. Click the *Return to Annual Report* button to return to the annual report completion process.

#### 4.8.10.200 SCHEDULE

To access the Schedule go to <http://portal.sao.wa.gov/lgcs/Forms/Schedule22.aspx?GovType=All>.