

**Year-End  
Financial Reports  
Procedure Manual**

**Budgetary/Legal Basis**

**For the Fiscal Year Ended  
June 30, 2015**



**BETTY T. YEE**

California State Controller's Office

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## Introduction

Government Code (GC) section 12460 states:

The Controller shall submit an annual report to the Governor containing a statement of the funds of the state, its revenues, and the public expenditures during the preceding fiscal year. The annual report shall be known as the budgetary-legal basis annual report, and prepared in a manner that will account for prior year adjustments, fund balances, encumbrances, deferred payroll, revenues, expenditures, and other components on the same basis as that of the applicable Governor's Budget and the applicable Budget Act, as determined by the Director of Finance in consultation with the Controller.

It is important that State departments (departments) provide accurate year-end financial statements to the State Controller's Office (SCO) to ensure that the *Budgetary/Legal Basis Annual Report* reflects reliable financial information. The SCO produces the *Year-End Financial Reports Procedure Manual* (Manual) to assist State departments in preparing their statements.

The Manual contains general information for the fiscal year ending June 30, 2015, as well as specific details for preparing the reports required by the SCO.

Agencies should consider the following information when filing the fiscal year 2014-15 Budgetary/Legal Year-End Financial Reports:

### **Delinquent Financial Statements**

The SCO will continue to post information about delinquent year-end financial statements on its website. This information will be updated weekly until all of the financial statements are received.

### **Certification Letter**

The Certification Letter accompanying the year-end financial statements must be signed by the officer responsible for fiscal administration. This person should be different from the preparer of the financial statements.

### **Revised Year-End Financial Statements**

A revised and signed Certification Letter is required when submitting revised year-end financial statements. Refer to the Revision section in this *Manual* for the fiscal year ended June 30, 2015.

[http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

### **Consolidated Report 7 and Report 8**

In addition to a separate set of year-end statements for each subfund, the agencies with multiple subfunds are required to submit a consolidated Report 7 and Report 8.

### **Governor's Reorganization Plan (GRP) No 2**

Refer to the GRP section in this *Manual* for the fiscal year ended June 30, 2015.

[http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

## **State Controller's Office Expectations for Departments**

### **Reporting**

- Read and comply with the Manual.
- Use reporting resources listed on the SCO website at:  
[http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)
- Read and comply with the Department of Finance (DOF) Budget Letters and State Administrative Manual (SAM) sections pertaining to year-end financial reporting.
- Submit all financial reports no later than the due dates listed in this Manual and Budget Letters. It is preferred that the reports are submitted on a flow basis.
- Departments that fail to submit timely and accurate year-end reports are subject to posting on the SCO's Delinquent Year-End Financial Statements list on the SCO's website at:  
[http://www.sco.ca.gov/ard\\_bl\\_delinquent\\_fy1415.html](http://www.sco.ca.gov/ard_bl_delinquent_fy1415.html), available in Fall 2015.

### **Communication**

- Provide the SCO with the appropriate and current contact information to facilitate the communication process.
- Proactively work with the SCO to resolve reporting problem(s) and/or issue(s) before the year-end financial reports are due.
- Clearly identify, document, and analyze any problems and/or issues and have a potential solution ready for discussion with the SCO.
- Resolve the problems or issues with the SCO in a timely manner by providing the SCO with requested information.
- Note previous reporting errors and correct them before submitting year-end financial reports.
- Attend the SCO Open House to discuss with your assigned SCO analyst ways to improve year-end financial reports.

# **General Information**

## Mailing/Availability of Controller's Documents to Departments

The documents necessary for year-end closing/reporting will be emailed or available via View Direct on the following approximate dates:

<b>Mail Date/ Availability Date</b>	<b>Document</b>
May 15, 2015	Prior Year Accrual Summary
July 2, 2015 (Tentative)	Copies of SCO Journal Entries for June will <u>not</u> be mailed, but will be available for departments to print via View Direct.
July 8, 2015 (Tentative)	Monthly Reconciliation Reports (Department and Fund) will <u>not</u> be mailed, but will be available for departments to print via View Direct.
July 15, 2015	Department Fund Checklist <sup>a</sup>
July 15, 2015	Report of Accruals to Controller's Accounts (Report 1: Forms 571A, 571B, 571A/B, 571C and 571D) <sup>b,c</sup>
July 15, 2015	Adjustments to Controller's Accounts (Report 3: Forms 576A and 576B) <sup>b,c</sup>
July 15, 2015	Final Reconciliation of Controller's Accounts with Final Budget Report (Report 5: Form 573) <sup>c</sup>

<sup>a</sup> The Department Fund Checklist is not all-inclusive. All funds with balances on the Agency Reconciliation Report and/or Fund Reconciliation Report must have Year-End Financial Reports submitted.

<sup>b</sup> Additional blank copies of these reports are available at [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

<sup>c</sup> These reports are available online for non-CALSTARS departments at [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

## Deadlines and Deliverable Dates for Year-End Reports

Due Dates	Fund(s) Year-End Reports
<b>Budgetary Legal</b>	
July 31, 2015	General Fund: Fund Number 0001
July 31, 2015	Feeder Funds: Fund Numbers 0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097
July 31, 2015	Special Fund for Economic Uncertainties (Fund Numbers 0374 and 0375)
August 20, 2015	All other funds
August 20, 2015	Report of Accounts Outside the State Treasury, Report 14, original signed due to the State Treasurer's Office (STO) and a copy to the SCO.
August 20, 2015	Report of Expenditures of Federal Funds, Report 13, original signed report due to Department of Finance (DOF), Fiscal Systems and Consulting Unit (FSCU) and SCO.
September 15, 2015	<b>Revisions sent on or before September 15, 2015, must be sent electronically</b> along with a Certification Letter marked "Revised" to the Budgetary/Legal mailbox: <a href="mailto:BLFinRep@sco.ca.gov">BLFinRep@sco.ca.gov</a> <sup>a</sup>
<b>GAAP</b>	
September 1, 2015	Generally Accepted Accounting Principles (GAAP) information, excluding independently audited financial statements
October 1, 2015	Independently audited financial statements are due. If a final is not available by this date, a draft may be submitted.
October 15, 2015	Final independently audited financial statements are due.

As a reminder, the SCO highly recommends that departments submit their year-end financial statements by fund as soon as they are completed. This allows ample time for departments to send in revised and/or missing reports, if necessary, before the deadlines.

<sup>a</sup> If the revision report cannot be submitted by the due date, email Budgetary/Legal at [BLFinRep@sco.ca.gov](mailto:BLFinRep@sco.ca.gov) to obtain approval to submit revisions past the due date, as well as the expected date of your submission.

## Mailing/Delivery Addresses for Submitting Reports

<p><b>MAIL DELIVERY- SCO:</b>  <b>State Controller's Office</b>          Division of Accounting and Reporting          State Government Reporting          P.O. Box 942850          Sacramento, CA 94250-5872</p>	<p><b>HAND DELIVERY- SCO:</b>  <b>State Controller's Office</b>          Division of Accounting and Reporting          State Government Reporting          3301 C Street, Suite 700          Sacramento, CA 95816</p>
<p><b>ELECTRONIC DELIVERY BY EMAIL:</b></p> <p><b>State Controller's Office</b>  <b>State Government Reporting Section</b>  <a href="mailto:BLFinRep@sco.ca.gov">BLFinRep@sco.ca.gov</a></p>	<p>Copies sent electronically must be in Excel versions for the following blank forms are available on the SCO's website:</p> <ul style="list-style-type: none"> <li>• Report 14 (and DOF approval letter if applicable – refer to page 108 of this Manual)</li> <li>• Due To/From Other Funds/Appropriations Supplementary Information Form</li> </ul>
<p><b>MAIL DELIVERY- DOF:</b>  <b>Department of Finance</b>          Fiscal Systems and Consulting Unit (FSCU)          915 L Street, 7th Floor          Sacramento, CA 95814</p>	<p><b>MAIL DELIVERY- STO:</b>  <b>California State Treasurer's Office</b>          Securities Clearance Section          P.O. Box 942809          Sacramento, CA 94209-0009</p>
<p style="text-align: center;"><b>SPECIAL MAILING/DELIVERY INSTRUCTIONS:</b></p> <p><b>Year-End Financial Reports - SCO:</b></p> <p>Mail or hand-deliver all required year-end reports to the <b>SCO</b>. Refer to pages 33 and 79 for a full list of required reports by fund type.</p> <p><b>Report of Expenditures of Federal Funds (Report 13) - DOF and SCO:</b></p> <p>Mail the original signed report to the <b>DOF</b>.          Mail/or hand deliver one copy to the <b>SCO</b>, along with the required year-end financial reports.</p> <p><b>Report of Accounts Outside the State Treasury System (Report 14) - STO and SCO:</b></p> <p>Mail the original copy to the <b>STO</b>.          Mail one hardcopy to the <b>SCO</b>. Send one electronic copy to the <b>SCO</b>. Use revised STD. 445 (Rev. 09/2014) version.</p>	

## REMINDERS

- Label each report with the department's name and four-digit organization number as well as the fund name and fund number.
- Verify that all reports for all funds are submitted.
- If there are no amounts to report, note "no activity to report" next to the report title(s) on the Certification Letter. If there is nothing to report for Reports 18 and 19, indicate "no activities to report".
- Do not staple year-end reports together. Please use paper clips, binder clips, or rubber bands.
- **Do not** submit reports that have zero amounts or that are blank (except special reports and supplemental forms.)
- Certification letter must be signed.

## CALSTARS and Non-CALSTARS Filing Requirements

### General Information for CALSTARS Departments:

For CALSTARS departments that have successfully submitted prior-year electronic year-end financial reports, submit the following:

- Certification Letter
- CSYDB3-1 Report in lieu of Reports 1, 2, 3, 5, and 15
- Final Budget Report (Report 6 - B06)
- CALSTARS H14 report, Encumbrance Reclassification Report for the SCO
- Any remaining required year-end reports
- Supporting documentation for Report 3 accrual adjustments (if applicable) and for any pending budget revisions, allocation orders, executive orders, etc. that increase or decrease an appropriation on the CSYDB3-1. (Refer to page 65 for more details.)

For CALSTARS departments submitting electronic year-end financial reports for the **first time** this fiscal year and for departments with unsuccessful electronic file transfers in the prior fiscal year, please also submit, in addition to the documents listed above, hard copies of the Reports 1, 3, and 5, as well as a copy of the Final CALSTARS CSYDB3-1 (Automated SCO Year-End Report).

After a department successfully completes an electronic transfer of year-end reports, hard copies of Reports 1, 2, 3, 5, and 15 will not be required in subsequent years. For more information on filing statements electronically, refer to the DOF's CALSTARS Operation Memo and CALSTARS Procedure Manual at <http://www.dof.ca.gov/accounting/calstars/procedures/view.php>

### CALSTARS Automated Reports

**Do not** send electronic reports if you have report edit messages. Clear report edits **before** you send them to the SCO. Do not send CSYDB3-1 pages for accounts that are not on the SCO "Agency Reconciliation Report" (Tab Run) e.g., an invalid Account Type 97. The following are examples of report edit messages ("warnings") that should **not** be submitted to the SCO:

- Prior, prior-year revenue ("R")
- Prior, prior-year Refunds to Reverted Appropriations ("R")

- Prior-year Operating Transfers-In accounts (“R”)
- Any account not reconciled to the SCO

CALSTARS automated hard copy reports must be received by the due dates listed on page 9 to be considered on time.

## **FI\$Cal and Year-End Financial Reporting FY 2014-15**

The Financial Information System for California (FI\$Cal Project) is a business transformation project for state government in the areas of budgeting, accounting, procurement, and cash management. The project will prepare the state systems and workforce to function in an integrated financial management system environment. To ensure the success of the project, the Partner Agencies have entered into a Memorandum of Understanding (MOU) signed by the State Controller, the State Treasurer, and the Directors of the Departments of Finance, and General Services. The MOU demonstrates support for the project at the highest levels of these organizations and provides the framework for this project.

### **Wave 1 Departments list:**

- Agricultural Labor Relations Board
- California Arts Council
  - California State Summer School for the Arts
- Department of Alcoholic Beverage Control
  - Alcoholic Beverage Control Appeals Board
- Department of Fair Employment and Housing
- Department of Finance
- Office of Environmental Health Hazard Assessment
- San Francisco Bay Conservation and Development Commission
- State Controller’s Office

### **Impact of FI\$Cal’s Wave 1 departments on Financial Reporting FY 2014-15:**

Budget Letter 15-04 states, “Departments using the Financial Information System for California (FI\$Cal) for Wave 1 accounting functions will be required to submit financial reports produced from FI\$Cal. Finance has been working closely with the project and Wave 1 departments on month-end closing and will continue to assist Wave 1 departments through the year-end closing process. Additional information on the FI\$Cal year-end reporting process will be provided in June.”

For more information about FI\$Cal, visit website: <http://www.fiscal.ca.gov/>

# **Governor's Reorganization**

## **Plan (GRP) No. 2**

## Governor's Reorganization Plan (GRP) No. 2

On July 3, 2012, a comprehensive overhaul of state government became official following legislative approval of Governor Brown's Reorganization Plan. Governor Brown's plan, which became operative on July 1, 2013 (fiscal year 2013-14), cut the number of state agencies from twelve to ten and eliminated or consolidated dozens of departments and entities. This plan is intended to make government more efficient and reduce unnecessary spending. For more information, please visit <http://www.gov.ca.gov/news.php?id=17617>.

### General Instructions:

- Departments that had their old organization (org) number become inactive and now have new org codes are responsible for preparing the financial statements with their new org codes.
- The department that has some accounts in the old org and some accounts in the new org is responsible for preparing the financial statements for the FY 2012-13 appropriations under the old org code and financial statements for the FY 2013-14, FY 2014-15, and continuing appropriations under the new org code.
- The GRP No. 2 departments are required to indicate the old org code and the new org code on the Certification Letter of each fund. Please refer to the GRP No. 2 Table on the following pages for the applicable org code.
- The Prior Year Accrual Summary Report posted on the SCO website will list both old org and new org codes, where applicable.
- When filling out the Due To/From Other Funds/Appropriations Supplemental Form, departments must communicate and coordinate with one another to ensure that their respective entries reconcile.
- Email Budgetary/Legal at [BLFinRep@sco.ca.gov](mailto:BLFinRep@sco.ca.gov) with any questions.

The state departments impacted by the GRP No. 2 are listed in the table shown on the following pages. The highlighted departments have new org codes and their old org codes have become inactive. These departments prepare financial statements with the new org code. The departments that are not highlighted prepared financial statements for the FY 2012-13 appropriations under the old org code and financial statements for the FY 2013-14, FY 2014-15, and continuing appropriations under the new org code.

Old Org. Code	Old Org. Name <sup>a</sup>	New Org. Code	New Org. Name <sup>a</sup>	Reporting Org		
				FY 2012-13 Appropriation	FY 2013-14 and Continuing Appropriation	FY 2014-15 and Continuing Appropriation
N/A	N/A	0521	Secretary for Transportation Agency	N/A	0521	0521
0502	California Technology Agency	7502	Department of Technology	7502	7502	7502
0510	Secretary for State and Consumer Services	0511	Secretary for Government Operations Agency	0510	0511	0511
0510	Secretary for State and Consumer Services	0515	Secretary for Business, Consumer Services, and Housing Agency	0510	0515	0515
0520	Secretary for Business, Transportation, and Housing	0509	Governor's Office of Business and Economic Development (GO-Biz)	0520	0509	0509
0520	Secretary for Business, Transportation, and Housing	0515	Secretary for Business, Consumer Services, and Housing Agency	0520	0515	0515
0520	Secretary for Business, Transportation, and Housing	0521	Secretary for Transportation Agency	0520	0521	0521
0690	California Emergency Management Agency	N/A	Governor's Office of Emergency Services	0690	0690	0690
0855	California Gambling Control Commission (Partial Re-org.)	0820	Department of Justice	0855	0820	0820
1100	California Science Center	3100	No Change	3100	3100	3100
1105	California African American Museum	3105	No Change	3105	3105	3105
1705	Fair Employment and Housing Commission	N/A	N/A	1705	N/A	N/A
1730	Franchise Tax Board	7730	No Change	7730	7730	7730
1760	Department of General Services	7760	No Change	7760	7760	7760
1870	California Victim Compensation & Government Claims Board	7870	No Change	7870	7870	7870

<sup>a</sup>Refer to Department of Finance (DOF) Uniform Codes Manual Organization Codes Listing ([http://www.dof.ca.gov/accounting/uniform\\_codes\\_manual/organizations/documents/5orgnumb.pdf](http://www.dof.ca.gov/accounting/uniform_codes_manual/organizations/documents/5orgnumb.pdf))

Old Org. Code	Old Org. Name <sup>a</sup>	New Org. Code	New Org. Name <sup>a</sup>	Reporting Org.		
				FY 2012-13 Appropriation	FY 2013-14 and Continuing Appropriation	FY 2014-15 and Continuing Appropriation
1900	Public Employees' Retirement System	7900	No Change	7900	7900	7900
1920	State Teachers' Retirement System	7920	No Change	7920	7920	7920
2150	Department of Financial Institutions	1701	Business Oversight	2150	1701	1701
2180	Department of Corporations	1701	Business Oversight	2180	1701	1701
2260	California Housing Finance Agency	2245	No Change	2245	2245	2245
2310	Office of Real Estate Appraisers	1111	Dept. of Consumer Affairs - Bureaus, Prog. Div.	2310	1111	1111
2320	Department of Real Estate	1111	Dept. of Consumer Affairs - Bureaus, Prog. Div.	2320	1111	1111
2400	Department of Managed Health Care <b>GRPI</b>	4150	No Change	4150	4150	4150
2700	Office of Traffic Safety	0521	Secretary for Transportation Agency	2700	0521	0521
3500	Department of Resources Recycling and Recovery	3970	No Change	3970	3970	3970
3680	Department of Boating and Waterways	3790	Department of Parks and Recreation	3680	3790	3790
3760	State Coastal Conservancy <b>Fund 6076 only</b>	0540	Secretary of the Natural Resources Agency	0540	0540	0540
3930	Structural Pest Control Program only	1110	Department of Consumer Affairs – Regulatory Boards	3930	1110	1110
7980	Student Aid Commission	6980	California Student Aid Commission	6980	6980	6980
8320	Public Employment Relations Board	7320	No Change	7320	7320	7320

<sup>a</sup>Refer to Department of Finance (DOF) Uniform Codes Manual Organization Codes Listing ([http://www.dof.ca.gov/accounting/uniform\\_codes\\_manual/organizations/documents/Sorgnumb.pdf](http://www.dof.ca.gov/accounting/uniform_codes_manual/organizations/documents/Sorgnumb.pdf))

Old Org. Code	Old Org. Name <sup>a</sup>	New Org. Code	New Org. Name <sup>a</sup>	Reporting Org.		
				FY 2012-13 Appropriation	FY 2013-14 and Continuing Appropriation	FY 2014-15 and Continuing Appropriation
8380	Department of Human Resources (previously Dept. of Personnel Administration)	7501	Department of Human Resources (CalHR)	7501	7501	7501
8390	State Personnel Board	7503	No Change	7503	7503	7503
8500	Board of Chiropractic Examiners	1110	Department of Consumer Affairs – Regulatory Boards	8500	1110	1110
8550	California Horse Racing Board	1750	No Change	1750	1750	1750
8840	Commission on Uniform State Laws	0160	Legislative Counsel Bureau	0160	0160	0160
8910	Office of Administrative Law	7910	No Change	7910	7910	7910

<sup>a</sup>Refer to Department of Finance (DOF) Uniform Codes Manual Organization Codes Listing ([http://www.dof.ca.gov/accounting/uniform\\_codes\\_manual/organizations/documents/5orgnumb.pdf](http://www.dof.ca.gov/accounting/uniform_codes_manual/organizations/documents/5orgnumb.pdf))

# Certification Letter for GRP No. 2 Departments

## Memorandum

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

### ***Example 1*** ***Governmental*** ***Cost Fund*** ***Manual Reports***

Re-org. department

**Governmental Accounting Advisory Board (old org. no. xxx1; new org. no. xxx5)**

**Prepared by: Department of XYZ (7890)**

123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

Insert your department name and number. If you prepare statements for a department other than your own, ensure the accuracy of the information. The four-digit Org code will be used to log the statements in as received.

### CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

#### **GENERAL FUND (0001)**

Report   Description

- 1      Report of Accruals to Controller's Accounts
- 2      Accrual Worksheet
- 3      Report for Adjustments to Controller's Accounts
- 4      Statement of Revenue
- 5      Final Reconciliation of Controller's Accounts with Final Budget Report
- 7      Pre-Closing Trial Balance
- 8      Post-Closing Trial Balance
- 15     Reconciliation of Agency Accounts with Transactions per State Controller

Indicate "No Activity to Report" on each report, where applicable. See example on Report 22.

#### **SPECIAL REPORTS**

Report   Description

- 14     Report of Accounts Outside the State Treasury – submitted with fund XXXX
- 18     Statement of Changes in Capital Assets Group of Accounts
- 19     Statement of Capital Assets Group of Accounts – submitted with fund XXXX
- 22     Statement of Contingent Liabilities – No Activity to Report

#### **SUPPLEMENTAL FORMS**

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary  
Phone No: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

# Memorandum

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

***Example 2***  
***CALSTARS***  
***Automated***  
***Governmental***  
***Cost Fund***

Re-org. department

**Governmental Accounting Advisory Board (old org. no. xxx1; new org. no. xxx5)**

123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

## CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments for Fund 0001 were transmitted to your office on July 28, 20XX. The CSYDB3-1 report listed below is in lieu of Report 1, Report 2, Report 3, Report 5, and Report 15.

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

### **GENERAL FUND (0001)**

<u>Report</u>	<u>Description</u>
---------------	--------------------

CSYDB3-1 Automated SCO Year-End Report – Final (In lieu of Reports 1, 2, 3, 5, and 15)	
H14	Encumbrance General Ledger Liability Reclassification for SCO
3	Adjustments to Controller's Accounts (annotated backup only)
4	Statement of Revenue
6	Final Budget Report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance

Indicate "No Activity to Report" on each report, where applicable. See example on Report 22

### **SPECIAL REPORTS**

<u>Report</u>	<u>Description</u>
---------------	--------------------

14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – No Activity to Report

### **SUPPLEMENTAL FORMS**

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary  
Phone No: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

# Memorandum

## ***Example 3*** ***Nongovernmental*** ***Cost Fund***

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

Re-org. department

**Governmental Accounting Advisory Board (old org. no. xxx1; new org. no. xxx5)**  
123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

### CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

#### **NONGOVERNMENTAL COST FUND (4321)**

Indicate "No Activity to Report" on each report, where applicable. See example on Report 22.

<u>Report</u>	<u>Description</u>
---------------	--------------------

3	Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
13	Report of Expenditures of <b>Federal Funds</b> (copy only to SCO – signed original to DOF, FSCU)
20	Statement of Financial Condition

Required only for Federal Funds.

#### **SPECIAL REPORTS**

<u>Report</u>	<u>Description</u>
---------------	--------------------

14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – No Activity to Report

#### **SUPPLEMENTAL FORMS**

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary  
Phone No: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

# **Certification Letter**

## Certification Letter

### CALSTARS Departments

**Departments must submit a separate Certification Letter for each fund along with their year-end reports.** The Certification Letter must provide a complete list of the required year-end reports for the fund, as well as a signed statement certifying that those reports are true and correct. As the certification statement applies to all of the listed reports, **it is not necessary to individually sign each report.** Department managers who prefer to sign each report may continue to do so; however, a Certification Letter must still be submitted with the reports.

The Certification Letter accompanying the year-end financial statements must be signed by the officer responsible for fiscal administration. This person should be different from the preparer of the financial statements.

All Certification Letters must include the following:

- Date
- Department name
- Department four-digit organization number (old and new if impacted by GRP 2)
- Department mailing address
- Names and email addresses of the department Director and Chief of Accounting
- Name and number of the fund and subfunds
- List of the required reports. If there is nothing to report, note “no activity to report” or “no capital assets” next to the applicable report titles on the Certification Letter.
- Contact person name, phone number, and email address
- A certification statement signed by the officer responsible for fiscal administration

Note: Organization’s letterhead is recommended.  
(Refer to the Checklist on page 130 for more details)

### CALSTARS Departments Submitting Reports Electronically:

Include a paragraph in the Certification Letter stating that your department participates in CALSTARS Auto Year-End. The following is a sample paragraph:

**Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments were transmitted to your office on X/XX/ 2015 for Fund XXXX. The CSYDB3-1 report listed below is in lieu of Report 1, Report 2, Report 3, Report 5, and Report 15.**

NOTE: If your department is a first-time participant in the automated statement process, include hard copies of the Reports 1, 3, and 5 along with the CSYDB3-1.

## Non-CALSTARS Departments

**List all reports required for the fund type (Governmental Cost fund or Nongovernmental Cost Fund) on the Certification Letter, regardless of whether there was activity or not.** This includes the Statement of Financial Condition, Report 20, (Nongovernmental Cost Funds, with the exception of Bond Funds which are treated like a Governmental Cost Fund for reporting purposes) and the Statement of Contingent Liabilities, Report 22 (Governmental and Nongovernmental Cost Funds).

**Submit separate Certification Letter for each fund.** Each Certification Letter must have an original signature of authorization. A fund and multiple subfunds can be included within one Certification Letter, but the reports submitted for each subfund must be listed on the Certification Letter. Requiring one Certification Letter per fund helps to ensure that each department's year-end reports are accurately accounted for and logged as received.

## Special Reports on Certification Letter

The Special Reports include Reports 14, 18, 19, and 22. These reports are to be listed under the heading Special Reports and below all other required reports on the Certification Letter. Refer to pages 25-29 for examples. Note: Report 13 is **not** considered a Special Report.

### Reports 14 and 19 – One of each report is required per department.

- Submit one hardcopy and one electronic copy of the **Report 14** (Excel format is available on the **SCO website**) and one hard copy of the **Report 19** to the SCO.
- Include the Report 14 – Report of Accounts Outside the State Treasury and the Report 19 – Statement of Capital Assets Group of Accounts, in the General Fund set of reports. To help us locate these two types of reports for each department, departments are required to indicate “submitted with General Fund” next to these subject reports on **every** other fund's Certification Letter.
- If your department does not submit reports for the General Fund, or if your Report 14 is not ready when submitting the General Fund, include Reports 14 (hardcopy) and 19 in your department main fund's set of reports, and indicate on **all** other funds' Certification Letters which fund these two subject reports are submitted with. Doing so will ensure that your department is credited for submitting these reports.
- If there is **no activity** to report on the Reports 14 or 19, list the reports on the Certification Letter under Special Reports, as required, and indicate:

Report 14 – No activity to report

Report 19 – No activity to report

- All accounts that are outside of the State Treasury, as defined by GC section 16305.2, **must** be listed on the Report 14, including accounts with zero balances **and** accounts that have been closed during the fiscal year (specify date closed).

- If there are no accounts outside the State Treasury to report, a **signed** blank Report 14 is still required and should indicate “No Accounts Outside the State Treasury.”
- Include the department head’s or designee’s signature and contact information on the Report 14 (refer to page 108 for specific instructions.)

**Reports 18 and 22 – One of each report is required per fund.**

If there is **no activity** on the Reports 18 or 22, list the reports on the Certification Letter under Special Reports, as required and indicate:

Report 18 – No activity to report

Report 22 – No activity to report

**Supplemental Forms on Certification Letter**

Under the heading Supplemental Forms, list the Due To/From Other Funds/Appropriations Supplementary Information Form **and** the Material Variance Explanation Form. Refer to Pages 25-29 for examples.

If there is **no activity** to report on either form, indicate “no activity to report.”

# Memorandum

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

## ***Example 1*** ***Governmental*** ***Cost Fund*** ***Manual Reports***

### **Governmental Accounting Advisory Board (1234)**

**Prepared by: Department of XYZ (7890)**

123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

Insert your department name and number. If you prepare statements for a department other than your own, ensure the accuracy of the information. The four-digit Org code will be used to log the statements in as received.

### CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

#### **GENERAL FUND (0001)**

<u>Report</u>	<u>Description</u>
---------------	--------------------

1	Report of Accruals to Controller's Accounts
2	Accrual Worksheet
3	Adjustments to Controller's Accounts – No activity to report
4	Statement of Revenue
5	Final Reconciliation of Controller's Accounts with Final Budget Report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
15	Reconciliation of Agency Accounts with Transactions per State Controller

If there is no activity

#### **SPECIAL REPORTS**

<u>Report</u>	<u>Description</u>
---------------	--------------------

14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – No activities to report

#### **SUPPLEMENTAL FORMS**

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary  
Phone No: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer /Name and Title of Officer

# Memorandum

***Example 2***  
***CALSTARS***  
***Automated***  
***Governmental***  
***Cost Fund***

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

**Governmental Accounting Advisory Board (1234)**

123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

**CERTIFICATION OF YEAR-END FINANCIAL REPORTS**

The Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments for Fund 0001 were transmitted to your office on July 28, 20XX. The CSYDB3-1 report listed below is in lieu of Report 1, Report 2, Report 3, Report 5, and Report 15.

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

**GENERAL FUND (0001)**

**Report Description**

	CSYDB3-1 Automated SCO Year-End Report – Final (In lieu of Reports 1, 2, 3, 5, and 15)
H14	Encumbrance General Ledger Liability Reclassification for SCO
3	Adjustments to Controller's Accounts (annotated backup only)
4	Statement of Revenue
6	Final Budget Report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance

**SPECIAL REPORTS**

**Report Description**

14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – No Activity to Report

**SUPPLEMENTAL FORMS**

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

If there is no activity

Contact Person: Bud G. Tary  
Phone No: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

# Memorandum

## ***Example 3*** ***Nongovernmental*** ***Cost Fund***

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

### **Governmental Accounting Advisory Board (1234)**

123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

### CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

### **NONGOVERNMENTAL COST FUND (4321)**

#### Report Description

3	Adjustments to Controller's Accounts	
7	Pre-Closing Trial Balance	
8	Post-Closing Trial Balance	
9	Analysis of Change in Fund Balance	
13	Report of Expenditures of <b>Federal Funds</b>	(copy only to SCO – signed original to DOF, FSCU)
20	Statement of Financial Condition	

**Required only for  
Federal Funds.**

### **SPECIAL REPORTS**

#### Report Description

14	Report of Accounts Outside the State Treasury – submitted with fund XXXX	
18	Statement of Changes in Capital Assets Group of Accounts – No activities to report	
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX	
22	Statement of Contingent Liabilities – No activity to report	

**If there is  
no activity**

### **SUPPLEMENTAL FORMS**

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary  
Phone No: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

# Memorandum

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

***Example 4***  
***REVISED***  
***Governmental***  
***Cost Fund***

**Governmental Accounting Advisory Board (1234)**

123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial revised reports for the fiscal year ended June 30, 20XX are enclosed:

**GENERAL FUND (0001) – REVISED**

Report   Description

1 & 3   Revision to Accruals and Adjustments to Controller's Accounts (Forms 571E & 571F)

Contact Person: Bud G. Tary  
Phone No: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

# Memorandum

Date:  
State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816

**Example.5**  
**REVISED**  
***Nongovernmental  
Cost Fund***

## **Governmental Accounting Advisory Board (1234)**

123 Elm Street  
Sacramento, CA 95816  
Mr./Ms. I. M. Director, [IMD@gaab.ca.gov](mailto:IMD@gaab.ca.gov)  
Mr./Ms. I. M. Chief of Accounting, [IMCOA@gaab.ca.gov](mailto:IMCOA@gaab.ca.gov)

## CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following revised financial reports for the fiscal year ended June 30, 20XX are enclosed:

### **NONGOVERNMENTAL COST FUND (4321) - REVISED**

#### Report Description

1 & 3 Revision to Accruals and Adjustments to Controller's Accounts (Form 571E only)

### **SPECIAL REPORTS (if any)**

#### Report Description

18 Statement of Changes in Capital Assets Group of Accounts - Revised  
19 Statement of Capital Assets Group of Accounts - Revised

Contact Person: Bud G. Tary  
Phone Number: (916) 555-1234  
Email: [Bud.G.Tary@gaab.ca.gov](mailto:Bud.G.Tary@gaab.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

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# **Governmental Cost Funds**

## **Budgetary/Legal Basis**

### **Governmental Cost Funds**

Of the budgetary/legal basis, there are two main fund groups: Governmental Cost Funds and Nongovernmental Cost Funds (see page 78.)

**Governmental Cost Funds** consist of those funds that receive revenues derived from taxes, licenses, and fees. Expenditures of these funds represent the cost of government. There are two major fund classifications in this group, the General Fund and Special Funds. The purpose of each fund classification is described below.

The **General Fund** is the main operating fund of the State, consisting of money that is not required by law to be deposited in any other fund.

**Special Funds** are used to account for resources that are legally restricted for particular functions or activities of government. The following are classified as special funds:

**General Fund Special Accounts** are legislatively created accounts within the General Fund to account for revenues that are restricted by law for specific purposes. The accounts are treated as special funds and are excluded from the General Fund for accounting and budgetary purposes.

**Feeder Funds** are the depositories for the collection of major taxes prior to clearance to the General Fund. The resources and obligations of these funds that apply to the General Fund as of June 30 are included in the Due from Other Funds. Resources and obligations remaining in any of these funds represent collections that were not available to the General Fund on June 30.

**Transportation Funds** are used to account for revenues that are restricted by law to transportation and related public safety programs.

**Other Governmental Cost Funds** are used to account for other revenues that are restricted by law for specific purposes.

## Required Year-End Reports for Governmental Cost Funds and Bond Funds

The year-end reports required by the SCO for Governmental Cost Funds and Bond Funds are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report Number	CALSTARS Report	Form Number	SAM Sec.	Report Description
<b>FOR CALSTARS MANUAL DEPARTMENTS</b>				
1	—	571A, B, A/B, C, D	7952	Report of Accruals to Controller's Accounts
2	—	—	7953	Accrual Worksheet
3	—	576A, B	7955	Adjustments to Controller's Accounts
4	Q26	—	7956	Year-End Statement of Revenue
5	—	573	7957	Final Reconciliation of Controller's Accounts with Final Budget Report
7	G02	—	7962	Pre-Closing Trial Balance
8	G02	—	7962	Post-Closing Trial Balance (includes Subsidiaries on File)
15	—	—	7976	Reconciliation of Agency Accounts with Transactions per State Controller
<b>FOR CALSTARS AUTOMATED DEPARTMENTS</b>				
CSYDB3-1			This report is in lieu of Reports 1, 2, 3, 5, and 15	
H14			Encumbrance Reclassification Report for SCO (refer to page 47) (must be at subfund level)	
3	576A, B		7955	Adjustments to Controller's Accounts (annotated back up only)
4	Q26		7956	Year-End Statement of Revenue
6	B06		7961	Final Budget Report
7	G02		7962	Pre-Closing Trial Balance
8	G02		7962	Post-Closing Trial Balance (includes Subsidiaries on File)

(continued)

**Special Reports<sup>a</sup>:**

Report Number	CALSTARS Report	Form Number	SAM Sec.	Report Description
14 <sup>b</sup>	—	STD. 445	7975	Report of Accounts Outside the State Treasury - Revised form dated September 2014 <b>Two copies per department: One hard copy and one electronic copy (Excel version)</b> Required even if there are no accounts to report (refer to page 108)
18 <sup>c</sup>	G05	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts <b>One Report per fund</b> (Checklist is on the SCO website.)
19 <sup>c</sup>	G05	—	7978	Statement of Capital Assets Group of Accounts <b>One Report per department</b> (Checklist is on the SCO website.)
22 <sup>d</sup>	—	—	7980	Statement of Contingent Liabilities <b>One Report per fund</b>

**Supplemental Forms:**

Refer to the instruction on page 122.

Report Number	CALSTARS Report	Form Number	SAM Sec.	Report Description
				Due To/From Other Funds/Appropriations Supplemental Form <sup>e</sup> <b>Two copies: One hard copy and one electronic copy (Excel version)</b>
				Material Variance Explanation Form <b>One Report per fund regardless of activities</b>

(concluded)

- a. If the department does not have amounts to report on the special reports, the Certification Letter must indicate this for **each** report. Refer to the Certification Letter instructions on page 23 for more information.
- b. Include **all** accounts used by the department on one report.
- c. Failure to submit Report(s) 18 and/or 19 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.
- d. Not required for Fund 0990 (Non-Treasury Trust Fund).
- e. If the department accrues for Due To/From Other Funds/Appropriation (GL 1410, 1420, 3114, 3115) on Report 1, 3 and Revision to Report 1 and 3, it is required to complete the Due to/From Other Funds/Appropriations Supplemental Form.

## Report of Accruals to Controller's Accounts (Report 1)

The Report of Accruals to Controller's Accounts (Report 1) is a system input document containing accrual transactions for amounts reflected in the department's records but not posted in the SCO cash basis accounts as of June 30. The accrual amounts are obtained from the Accrual Worksheet (Report 2), which provides departments with a uniform and systematic method of compiling the accruals.

Report 1 also contains the encumbrances included in the accruals entered on this report. Follow the specific instructions for reporting encumbrances, beginning on page 47 of this Manual.

The amounts on Reports 1 and 3 are combined with the amounts from the SCO cash basis accounts to produce the *Budgetary/Legal Basis Annual Report*.

Report 1 consists of the following forms:

- **Forms 571A and 571B:** Designed to report accruals to asset and liability accounts. Commonly used GL account numbers are preprinted.
- **Form 571 A/B:** Designed to report accruals to any asset or liability accounts not preprinted on Forms 571A or 571B.
- **Form 571C:** Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing preprinted account numbers and titles.
- **Form 571D:** Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts not preprinted on Form 571C (e.g., accruals to accounts that were reverted to the fund balance as of June 30 and were subsequently revived by the SCO, and/or accruals to accounts that were not set up on the SCO records by June 30).

As Report 1 is used as a system input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

### NOTE:

- Do not submit accruals for categories 94, 95, 96, 98, and 99.
- Program 99 should have a zero balance at the end of the fiscal year.

**General Instructions**

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. **Do not** use dollar signs (\$).
- Leave amount column **blank** for accounts with zero activity. Do not enter zeros.
- Total debits **must** equal total credits for accruals and for encumbrances.

**Specific Instructions**

The instructions below are followed by an illustration of a completed Report 1. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Forms 571A, 571B, and 571A/B

- |          |  |  |
|----------|--|--|
| <b>1</b> | <b>Department Name and Number:</b>       | Enter department name and department number.   |
| <b>2</b> | <b>Fund Name and Number:</b>             | Enter fund name and corresponding four-digit fund number.  |
| <b>3</b> | <b>Name of Contact Person and Title:</b> | Enter the name and the title of the person who should be contacted to answer questions concerning this report.   |
| <b>4</b> | <b>Telephone Number:</b>                 | Enter the contact person's telephone number.   |
| <b>5</b> | <b>Email Address:</b>                    | Enter the contact person's email address.  |
| <b>6</b> | <b>Account:</b>                          | <ul style="list-style-type: none"><li>• GL account numbers for commonly used accounts are preprinted on Forms 571A and 571B. If the appropriate account number is not preprinted on these forms, enter the proper four-digit account number on Forms 571B or 571A/B using the <b>lowest level</b> account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as stated on page 37.</li><li>• Enter the four-digit fund number immediately following the general ledger account numbers listed below to identify the other fund involved in an inter-fund transaction.</li></ul> |

1410.XXXX Due from Other Funds  
1730.XXXX Prepayments to Other Funds or  
Appropriations  
3114.XXXX Due to Other Funds  
5330.XXXX Reserve for Prepaid Items  
2170.XXXX Inter-fund Loans Receivable  
4050.XXXX Inter-fund Loans Payable

- Enter the four-digit org code (XXXX) of the department involved in the transaction as the subsidiary number following the GL account numbers listed below. Doing so identifies the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations  
3115.XXXX Due to Other Appropriations

- Enter a four-digit GL accounts receivable code (XXXX) following the GL account numbers listed below to identify the related receivable. The code must be preceded by a "0".

1390.0XXXX Allowance for Uncollectible Accounts  
1600.0XXXX Provision for Deferred Receivables

The amount reported for either of the two GL accounts must not exceed the accrued amount of its related receivable.

- For all departments, the unencumbered amount of the Due from Other Funds (GL 1410.XXXX) must equal the related unencumbered amount of the Due to Other Funds (GL 3114.XXXX). Departments must coordinate related amounts reported to ensure that the amounts are equal.
- Using the format on page 125 of this Manual as a guide, provide the SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on Report 1.

**REMINDER**

**7A Amount:**

Post the total accruals from the Accrual Worksheet (Report 2) to the appropriate GL accounts. **Do not** post the amounts for Prepayments to Service Revolving Fund from Report 2, as the SCO records already reflect these balances.

**7B D/C (Debit or Credit):**

Enter D when the amount in the Amount column is a debit and C when the amount is a credit.

- 7C Net Debits/Credits:** Enter the net of the debits and credits in the Amount column and indicate it as D or C.
- 8A Encumbrances:**
- Follow the guidelines on reporting encumbrances, as outlined in this Manual on pages 47-51.
  - Enter any encumbrance amounts that are included in the accruals reported in the Encumbrances column. The encumbrance amount must not exceed the accrual.
  - Do not report encumbrances to General Ledger (GL) account 3020, Claims Filed.
  - Do not report accruals for GL accounts 5350 (Reserve for Encumbrances) and 6150 (Encumbrances).
  - If the accruals less the encumbrance for accounts payable (GL 3010) is not the only correct account payable liability, it should be reclassified to the true liability GL accounts: 3114.XXXX, 3115.XXXX, 3220, and/or 3290, to avoid overstating accounts payable.
  - All accrued reimbursements that will fund the accrued encumbrances should remain in their respective asset accounts (GL 1312, 1410, 1510, and 1590).
- 8B D/C (Debit or Credit):** Enter D when the encumbrance amount in the Encumbrances column is a debit and C when the amount is a credit. The encumbrance should have the same D or C sign as the corresponding accrued asset or liability.
- 8C Net Debits/Credits:** Enter the net of the debits and credits of the Encumbrances column and indicate it as D or C.

Form 571C

- 9 Account Description:** The titles of each disbursement, reimbursement, transfer, and receipt account is printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.

Accruals for abatements or reimbursements to reverted accounts must be credited to Receipt Account Number 0500000, Refunds to Reverted Appropriations.

If there are accruals to accounts not pre-printed on this form, add the accounts on Form 571D (see instructions for Form 571D-page 40). **Do not add accounts on Form 571C.**

- 10 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is pre-printed in this column.
- 11 M:** This column is for SCO use only.
- 12 REF:** The reference item corresponding to each disbursement, reimbursement, and transfer account is pre-printed in this column.
- 13 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account are pre-printed in these columns. **Do not** post accruals to categories 94, 95, 96, 98, or 99.
- 14 T:** The appropriate letter identifying the account type, as shown below, is pre-printed in the column.
- D – Disbursement Account  
F – Reimbursement or “Amount Payable From” Account  
T – Transfer to Other Funds Account  
R – Receipt Account
- 15 SFUND:** The source fund corresponding to each reimbursement account is pre-printed in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 16 B:** A number (1, 2 or 3) shown in this column indicates the account is blocked.
- 17 REV/OBJ:** The account number corresponding to each receipt account is pre-printed in this column. The first space will be coded as a zero, followed by the six-digit revenue code.
- 18A Accrual Amount:** Post the net accruals from the Accrual Worksheet (Report 2) to the appropriate disbursement, reimbursement, transfer, or receipt account.
- 18B D/C (Debit or Credit):** Enter D when the amount in the Accrual Amount column is a debit and C when the amount is a credit.
- 18C Net Debits/Credits:** Enter the net of the debits and credits in the Accrual Amount column and indicate it as D or C.

- 19A Encumbrances:**
- Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
  - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report 2).
  - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.

**19B D/C (Debit or Credit):** Enter D when the encumbrance amount in the Encumbrance column is a debit and C when the amount is a credit.

**19C Net Debits/Credits:** Enter the net of the debits and credits in the Encumbrance column and indicate it as D or C.

Form 571D

**20 Appropriation and Revenue Account Titles:** Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.

**21 FY:** Enter the four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account.

**22 M:** This column is for SCO use only.

**23 REF/ITEM:** Enter the reference item corresponding to each disbursement, reimbursement, and transfer account.

**24 CAT through TASK:** Enter the appropriate category, program, element, component, and/or task corresponding to each disbursement or reimbursement account. **Do not** post accruals to categories 94, 95, 96, 98, or 99.

**25 T:** Enter the appropriate letter, as shown below, to identify the account type.

D – Disbursement Account  
F – Reimbursement or Amount Payable From Account  
T – Transfer to Other Funds Account  
R – Receipt Account

- 26 SOURCE FUND:** Enter the source fund corresponding to each reimbursement account. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 27 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 28 SCO:** This space is for SCO use only.
- 29 Revenue/Object:** Enter a zero, followed by the six-digit code for each receipt account.
- 30A Amount:** Post the net accruals from the Accrual Worksheet (Report 2) to the appropriate disbursement, reimbursement, transfer, or receipt account.
- 30B D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 30C Net Debits/Credits:** Enter the net of the debits and credits in the Amount column and indicate it as a D or C.
- 31A Encumbrances:**
- Follow the guidelines for reporting encumbrances as outlined in this Manual, beginning on page 47.
  - Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
  - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report 2).
  - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.
- 31B D/C (Debit or Credit):** Enter D when the encumbrance amount in the Encumbrance column is a debit and C when the amount is a credit.
- 31C Net Debits/Credits:** Enter the net of the debits and credits in the Encumbrance column and indicate it as D or C.

REPORT NO. 1 Form 571A (Rev. 3/10)

## Report of Accruals to Controller's Accounts

June 30, 20XX

Page 1 of 4

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agy
<b>A</b>			

Agency Name and Number <b>1</b> <b>Governmental Accounting Advisory Board (1234)</b>		Fund Name and Number <b>2</b> <b>General Fund (0001)</b>	
Name of Contact Person, Title <b>3</b> <b>Bud G. Tary, Accounting Administrator</b>		Telephone Number <b>4</b> <b>916-555-1234</b>	Email Address <b>5</b> <b>Bud.G.Tary@gaab.ca.gov</b>

ACCOUNT TITLE	8B		6	7A	7B	
	8A ENCUMBRANCES	D C			AMOUNT	D C
GENERAL CASH			1110		4,324.50	D
REVOLVING FUND CASH			1130			
CASH IN TRANSIT TO STATE TREASURY			1150			
CASH ON HAND			1190			
ACCOUNTS RECEIVABLE-ABATEMENTS			1311			
ACCOUNTS RECEIVABLE-REIMBURSEMENTS			1312		22,981.50	D
ACCOUNTS RECEIVABLE-REVENUE			1313			
ACCOUNTS RECEIVABLE-OTHER			1319		72.22	D
ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS (CREDIT BAL)			1390			
DUE FROM OTHER FUNDS	22,102.62	D	1410	0890	31,933.15	D
DUE FROM OTHER APPROPRIATIONS (XXXX = four digit org code)			1420	XXXX		
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590			
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600	01315	75.00	C
EXPENSE ADVANCES			1710		1,046.22	D
<b>Net Credits/Debits</b>	<b>8C</b> <b>22,102.62</b>	<b>D</b>	<b>Net Credits/Debits</b>	<b>7C</b> <b>60,282.59</b>	<b>D</b>	





FORM 571-C (03/1996)  
CONTROLLER'S USE ONLY

REPORT NO: 1  
PAGE NO: 1

DOCUMENT NO: DATE:

CONTROLLER'S USE ONLY \_\_\_\_\_  
CURSORY REVIEW \_\_\_\_\_  
COMP. INPUT \_\_\_\_\_  
EXPENDITURES \_\_\_\_\_  
REVENUES \_\_\_\_\_  
WORKSHEET/ACC. ACCUM. \_\_\_\_\_

STATE CONTROLLER'S OFFICE

FUND: 0001000 GENERAL FUND

REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS  
JUNE 30, 20XX

AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD  
MAIL CODE: 1234

45

(9)	(19A) **ENTER**	(19B)	(10)	(11)	(12)	(13)			(14)	(15)	(16)	(17)	(18A) **ENTER**	(18B)		
ACCOUNT DESCRIPTION	ENCUMBRANCE	D/C	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCRUAL AMOUNT	D/C
A - CONTINUING PROGRAM COSTS	39,286.14	D	2011	001							D				70,851.65	D
UNALLOCATED REDUCTION			2011	001			97	20			D					
B - REIMBURSEMENTS	22,102.62	C	2011	001		90						F 0001000			54,914.65	C
A - CONTINUING PROGRAM COSTS	98.06	D	2010	001				10			D				3,672.74	D
B - REIMBURSEMENTS			2010	001		90						F 0001000				
MISCELLANEOUS REVENUE			2011								R		0161400		4,324.50	C
(19C) NET DEBITS/CREDITS	17,281.58	D														
(18C) NET DEBITS/CREDITS															15,285.24	D

REPORT NO. 1 Form 571D (Rev. 3/10)

## Report of Accruals to Controller's Accounts

June 30, 20XX

Page \_\_\_ of \_\_\_

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Agency Name and Number		Fund Name and Number	
Name of Contact Person, Title		Telephone Number	Email Address

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C	
(20)	(31A)	(31B)	(21)	(22)	(23)	←		(24)		→	(25)	(26)	(27)	(28)	(29)	(30A)	(30B)	
Net Debits/Credits	(31C)																Net Debits/Credits	(30C)

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## Reporting of Encumbrances

The California State Auditor has concluded that, in some instances, the Reserve for Encumbrances has been overstated. The SCO has provided the following information to clarify how and when encumbrance accruals should be reported.

- Make sure all encumbrances and liabilities have been thoroughly reviewed for validity according to the criteria as stated in the State Administrative Manual (SAM).

SAM section 8340 (Encumbrances) states that encumbrances are commitments for expenditure and should be estimated carefully to reserve the amount of the expected expenditures.

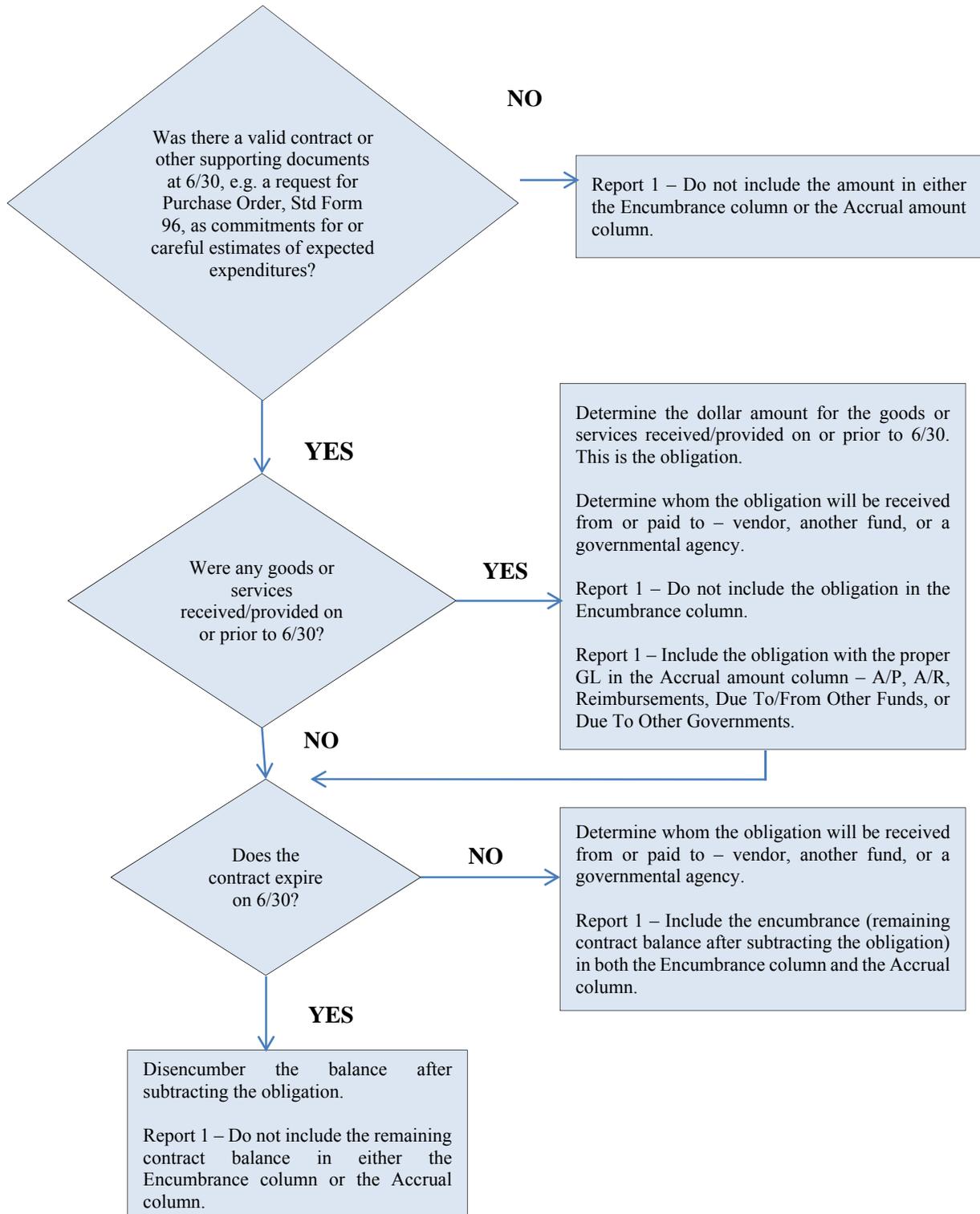
SAM section 8342.1 (Encumbrance of the Lag) states that, while many items can be encumbered from purchase estimates, printing estimates, leases, contracts, etc., many cannot.

SAM section 8343 (Capital Outlay) states that departments should encumber the estimated amounts of such expenditures (purchases of real property) by using Request for Purchase Order or Estimate Changes, Std. Form 96, as an internal accounting document.

- The amount to be encumbered must be related to the amount of goods or services that were ordered but **not yet received** as of June 30 of the current fiscal year.
- **If the contract expires on June 30, 2015, accrue as a liability only those goods or services that have been received on or prior to June 30<sup>th</sup>.** Determine to whom the obligation will be paid and, if necessary, reclassify the obligation to the true liability GL account. **Do not record obligations as encumbrances.**
- The difference of the amount between the accrual and the encumbrance is the invoice received and is either due to a vendor (use GL 3010 - Accounts Payable) or to another liability account. For example, any invoice received and **not** due to vendors is to be reclassified to the appropriate liability account(s) (e.g., GL 3220 – Due to Local Government or GL 3114.XXXX – Due to Other Funds). Likewise, the portion contracted for but not yet received (encumbered) should be in the Encumbrance column on the same GL liability account line as the accrual amount. If the accrual is Due to Local Government (GL 3220), then the encumbrance should also be on the GL 3220 line, adjacent to the accrual amount on the Report 1.
- The amount encumbered cannot exceed the amount accrued on any given liability line on the Report 1.

An encumbrance flowchart, examples of encumbrance transactions, and a sample Report 1 are shown on the following pages.

## Encumbrance Determination Decision Tree



**Encumbrance Examples**

**Example 1:**

<b><u>Contract with Vendor</u></b>	\$	125,000		
Cash Expenditures @ 6/30		25,000		
		100,000	(A)	Accrual Amount
6/29 Invoices for June Services		40,000	(E)	Obligation
		\$ 60,000	(B)	Encumbrance

**Report No. 1 Entries:**

Dr. Appropriation Expenditure	(A)	\$ 100,000		
Cr. Accounts Payable			\$ 100,000	(G)

**SCO Entries to back out encumbrances and establish Reserve for Encumbrances:**

Dr. Accounts Payable	(B)	60,000		
Cr. Approp. Expenditure			60,000	
Dr. Unreserved Fund Balance		60,000		
Cr. Reserve for Encumbrance			60,000	

**Example 2:**

<b><u>Contract with Local Government</u></b>	\$	50,000		
6/30 Invoice for June Service		20,000	(C)	Obligation
		\$ 30,000	(I)	Encumbrance

**Report No. 1 Entries:**

Dr. Approp. Expenditure	(A)	\$ 50,000		
Cr. Due to Local Government			\$ 50,000	(H)

**SCO Entries to back out encumbrances and establish Reserve for Encumbrances:**

Dr. Due to Local Government	(I)	\$ 30,000		
Cr. Approp. Expenditure			\$ 30,000	
Dr. Unreserved Fund Balance		\$ 30,000		
Cr. Reserve for Encumbrance			\$ 30,000	

**Example 3:**

<b><u>Contract with a Department</u></b>	\$	10,000		
6/29 Invoice for June		5,000	(D)	Obligation
		\$ 5,000	(K)	Encumbrance

**Report No. 1 Entries:**

Dr. Approp. Expenditure	(A)	\$ 10,000		
Cr. Due to Other Funds			\$ 10,000	(J)

**Example 3: (cont.):**

**SCO Entries to back out encumbrances and establish Reserve for Encumbrances:**

Dr. Due to Other Funds	(K)	\$	5,000		
Cr. Approp. Expenditure				\$	5,000
Dr. Unreserved Fund Balance		\$	5,000		
Cr. Reserve for Encumbrance				\$	5,000

**Example 4:**

<b>Contract Amount to Vendor</b>		\$	40,000		
Cash Expenditure @ 6/30			<u>9,000</u>		
		\$	31,000	(A)	Accrual Amount
6/28 Invoice for June Services			<u>7,000</u>	(E)	Obligation
		\$	<u><u>24,000</u></u>	(B)	Encumbrance

**Report No. 1 Entries:**

Dr. Approp. Expenditure	(A)	\$	31,000		
Cr. Accounts Payable				\$	31,000 (G)

**SCO Entries to back out encumbrances and establish Reserve for Encumbrances:**

Dr. Accounts Payable	(B)	\$	24,000		
Cr. Approp. Expenditure				\$	24,000
Dr. Unreserved Fund Balance		\$	24,000		
Cr. Reserve for Encumbrance				\$	24,000

<b>Report No. 1 and SCO Entries</b>					
<b>Accounts Payable (GL 3010)</b>			<b>Appropriation Expenditure (GL 9000)</b>		
(B) \$ 60,000		\$ 100,000 (G)	(A) \$ 100,000	\$ 60,000 (B)	
(B) 24,000		<u>31,000 (G)</u>	(A) 50,000	30,000 (I)	
		<u><u>\$ 47,000 (E)</u></u>	(A) 10,000	5,000 (K)	
			(A) 31,000	24,000 (B)	
			(F) <u><u>\$ 72,000</u></u>		
<b>Due to Local Government (GL 3220)</b>			<b>Due to Other Funds (GL 3114.XXXX)</b>		
(I) \$ 30,000		\$ 50,000 (H)	(K) \$ 5,000	\$ 10,000 (J)	
		<u>\$ 20,000 (C)</u>		<u>\$ 5,000 (D)</u>	
Vendor Contracts	\$131,000	A/P - Report No. 1			
Department Contract	5,000	Due to Other Funds - Report No. 1			
Government Contract	30,000	Due to Local Government - Report No. 1			
<b>Sum of (B)'s + (K) + (I):</b>	<u>119,000</u>	*Encumbrances - Report No. 1			
<b>Sum of (E)'s:</b>	<u><u>\$47,000</u></u>	Invoices received and due to vendors			
<b>Sum of (E)'s:</b>	\$47,000	A/P due to vendors			
(D):	5,000	Due to Other Funds - Report No. 1			
(C):	<u>20,000</u>	Due to Local Government - Report No. 1			
(F):	<u><u>\$72,000</u></u>	Total of All Expenditures (Obligations)			

\*Post the encumbrance to the appropriate (true) liability (GL)  
**DO NOT** post the sum of all the encumbrances into Accounts Payable (GL 3010).  
**See Report No. 1 Example**

REPORT NO. 1 Form 571A/B (Rev. 3/10)

## Report of Accruals to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Sum of (G)'s:  
100,000 + 31,000 = 131,000

Agency Name and Number <b>Governmental Accounting Advisory Board (1234)</b>		Fund Name and Number <b>General Fund (0001)</b>	
Name of Contact Person, Title <b>Bud G. Tary, Accounting Administrator</b>	Telephone Number <b>916-555-1234</b>	Email Address <b>Bud.G.Tary@gaab.ca.gov</b>	

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590		
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			*1600		
EXPENSE ADVANCES			1710		
ACCOUNTS PAYABLE	84,000.00	C	3010	131,000.00	C
CLAIMS FILED			3020		
DUE TO OTHER FUNDS	(K) → 5,000.00	C	3114 0002	(J) → 10,000.00	C
DUE TO OTHER APPROPRIATIONS			3115		
DUE TO LOCAL GOVERNMENT	(I) → 30,000.00	C	3220	(H) → 50,000.00	C
REVENUE COLLECTED IN ADVANCE			3410		
REIMBURSEMENTS COLLECTED IN ADVANCE			3420		
UNCLEARED COLLECTIONS			3730		
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND			1730 0602		
RESERVE FOR ARCHITECTURE REVOLVING FUND					
<p>The accruals less encumbrances = total expenditures [191,000 - 119,000 = 72,000]. The encumbrance total [119,000] is reclassified as <i>Reserve for Encumbrances</i> and shown as part of fund balance on the financial statements. and year-end.</p>					
Net Credits/Debits			119,000.00	C	
Net Credits/Debits			191,000.00	C	

ORIGINAL - State Controller's Office, Division of Accounting and Reporting

## **CALSTARS Report H14 – Encumbrance Reclassification Report for SCO**

**Beginning with FY 2012-13**, a new report H14 – Encumbrance Reclassification Report for SCO – must be submitted along with other automated statements (CSYDB3-1). This is **not** an automated CALSTARS report. Departments are required to provide this supplemental report along with their year-end reports. This report will summarize the encumbrance reclassification entries for SCO.

As the information on this report is **not** sent electronically, the H14 report will be used as a system input document and the information entered into the system manually by the SCO. See an example of the H14 report on the following page.

## SAMPLE OF ENCUMBRANCE RECLASSIFICATION REPORT FOR SCO CALSTARS H14 REPORT

```

CSTARH14 1234 (DEST: A1 CTP2) PY. .0.0.0.2.          ***** RUN:01/03/XX TIME:12.57
PRIOR FISCAL YEAR: 20XX          FUND(ALL )-----
                                GOVERNMENTAL ACCOUNTING ADVISORY BOARD
                                ENCUMBRANCE RECLASSIFICATION REPORT FOR SCO
                                AS OF 06/30/12
-----
FUND      : 9999 ENCUMBRANCE RECLASS FUND
FUND DETAIL: 00
SUB FUND  : 000
-----
GLAN      SUB GL      DESCRIPTION              AMOUNT      DC
-----
3114      0001      DUE TO OTHER FUNDS          1,000.00    C
3114      0444      DUE TO OTHER FUNDS           300.00    C
3115      DUE TO OTHER APPNS          15,300.00   C
3290      DUE TO OTHER GOVERNMENTAL ENTITIES    98.00    C
3010      ACCOUNTS PAYABLE           16,698.00   D
-----

```

## **Accrual Worksheet (Report 2)**

The Accrual Worksheet (Report 2) provides departments with a uniform and systematic method of compiling year-end accruals. Accruals consist of the assets, liabilities, deferred credits, and the corresponding receipts and disbursements reflected in the department's records but not recorded in the SCO cash basis accounts as of June 30. Refer to SAM section 7953 for more information and see an illustration of Report 2 on the following page.

The amounts in the Net Total Accruals per Agency column, the column totals for the assets and liabilities, and the amounts in the Deferred Credits column are posted to the corresponding accounts on the Report of Accruals to Controller's Accounts (Report 1).

Amounts Due To and Due From the same fund and/or appropriations should be posted separately and not netted together.

During the processing of Report 1, the SCO will refer to Report 2 to obtain additional information that may help resolve any discrepancies.

Program 99 – Clearing Account for CALSTARS State departments – is a reserved program code and intended for, but not limited to, use with the CALSTARS Clearing Account or other Internal Service Funds such as the Water Resources Revolving Fund.

For more information regarding the use of program codes, go to the Uniform Codes Manual on the DOF's website: [http://www.dof.ca.gov/accounting/uniform\\_codes\\_manual/](http://www.dof.ca.gov/accounting/uniform_codes_manual/)

June 30, 20XX  
Accrual Worksheet

Included year-end accruals pursuant to the State Administrative Manual	GENERAL CASH 1110	ACCOUNTS RECEIVABLE			DUE FROM OTHER FUNDS 1400	EXPENSE ADVANCES 1710	PRE-PAYMENTS TO OTHER FUNDS 1730	ACCOUNTS PAYABLE 3010	CLAIMS FILED 3020	Report No. 2		NET TOTAL ACCRUALS PER AGENCY
		REIMB. 1312	DIS-HONORED CHECKS 1315	OTHER 1319						DUE TO OTHER FUNDS 3110	DEFERRED CREDITS 1600/3400	
Item 1234-001-0001												
State Operations, FY 11/12												
Chapter 33/11												
A. Program 10							(44,341.88)	(18,187.86)	(8,321.91)			(70,851.65)
B. Reimbursements		22,981.50			31,933.15							54,914.65
C. Prepayments						10,000.00						10,000.00
Item 1234-001-0001												
State Operations, FY 10/11							(98.06)		(3,574.68)			(3,672.74)
Chapter 712/10												
A. Program 10												
B. Reimbursements	4,324.50		75.00	72.22							(147.22)	4,324.50
Revenue FY 11/12												
161400 Miscellaneous Revenue												
Reimbursements Collected in Advance												
Provision for Deferred Receivables												
<b>SUBTOTAL</b>	4,324.50	22,981.50	75.00	72.22	31,933.15	0.00	10,000.00	(44,439.94)	(18,187.86)	(11,896.59)	(147.22)	(5,285.24)
Revolving Fund Adjustment						1,046.22		2,146.53	(3,192.75)			0.00
<b>TOTALS PER AGENCY</b>	4,324.50	22,981.50	75.00	72.22	31,933.15	1,046.22	10,000.00	(42,293.41)	(21,380.61)	(11,896.59)	(147.22)	(5,285.24)

## Adjustments to Controller's Accounts (Report 3)

The Adjustments to Controller's Accounts (Report 3) is a system input document containing the adjusting entries needed to correct any errors on the SCO cash basis accounts as of June 30. The adjustments on Report 3 are **for year-end reporting purposes only**. Departments are required to submit a transaction request to the SCO Accounting Section to correct the SCO cash basis records on department accounts.

### Report 3 consists of the following forms:

- **Form 576A:** Designed to report adjustments to asset and liability accounts. Commonly used account numbers are pre-printed on the form.
- **Form 576B:** Designed to report adjustments to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing pre-printed account numbers and titles.

As report 3 is used as a system input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

### General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. **Do not** use dollar signs (\$).
- Leave Amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment (e.g., transaction request, budget revision, etc.) explaining the reason for the adjustment. Each entry on Report 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the Account Title column on Form 576A and to the right of the amount on Form 576B

### Specific Instructions

The instructions below are followed by an illustration of a completed Report 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- 1 Department Name and Number:** Enter department name and department number.
- 2 Fund Name and Number:** Enter fund name and corresponding four-digit fund number.
- 3 Name of Contact Person and Title:** Enter the name and title of the person to contact for questions concerning this report.
- 4 Telephone Number:** Enter the contact person's telephone number.
- 5 Email Address:** Enter the contact person's email address.
- 6 Account:**
- Enter the proper four-digit account number on this form using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.
  - Enter the four-digit fund code immediately following the GL account numbers listed below to identify the other fund involved in an inter-fund transaction.  
  
1410.XXXX Due from Other Funds  
1730.XXXX Prepayments to Other Funds/Appropriations  
3114.XXXX Due to Other Funds  
5330.XXXX Reserve for Prepaid Items  
2170.XXXX Inter-fund Loans Receivable  
4050.XXXX Inter-fund Loans Payable
  - Enter the four-digit org code of the department involved in the transaction as the subsidiary number immediately following the GL account numbers listed below, to identify the other department involved in the inter-department transaction.  
  
1420.XXXX Due from Other Appropriations  
3115.XXXX Due to Other Appropriations
  - Enter a four-digit GL accounts receivable code immediately following the GL account numbers listed below to identify the related receivable. The code must be preceded by a "0".  
  
1390.0XXXX Allowance for Uncollectible Accounts  
1600.0XXXX Provision for Deferred Receivables

**REMINDER:**

The amount reported for either of the two GL accounts must not exceed the accrued amount of its related receivable.

- Use the format on page 125 of this Manual to provide the SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on Report 3.

**7A Amount:** Post adjustments to the appropriate GL accounts. The amounts entered here should only be adjustments to correct the account balances on the SCO records as of June 30.

**7B D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.

**7C Net Debits/Credits:** Enter the net of the debits and credits in the Amount column and indicate it as D or C.

Form 576B

- 8 Account Description:**
- The titles of each disbursement, reimbursement, transfer, and receipt account is pre-printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.
  - If there is an error on the SCO records involving Prepayments to Other Funds, only the expenditures should be adjusted, not the Prepayments to Other Funds account.

**REMINDER:**

- List four-digit org code on the Due To/From Other Funds/Appropriations Supplementary Information Form
- If an adjustment between accounts involves the same fund but different departments, the offsetting account to the appropriate disbursement, reimbursement, transfer, or receipt account is GL Account Number 1420.XXXX, Due from Other Appropriations, or 3115.XXXX, Due to Other Appropriations. **Include the four-digit org code as the subsidiary number.**
- If there is an adjustment between accounts within the same fund and department, only the appropriate disbursement, reimbursement, transfer, or receipt accounts should be adjusted.

**9 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is filled in this column.

**10 M:** This column is for SCO use only.

- 11 REF:** The reference item corresponding to each disbursement, reimbursement, and transfer account must be indicated in this column.
- 12 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account must be indicated in these columns.
- 13 T:** The appropriate letter identifying the account type, as shown below, must be indicated in the column.
- D – Disbursement Account  
F – Reimbursement or “Amount Payable From” Account  
T – Transfer to Other Funds Account  
R – Receipt Account
- 14 SFUND:** The source fund corresponding to each reimbursement account must be indicated in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 15 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 16 REV/OBJ:** The account number corresponding to each receipt account must be indicated in this column. Fill in the six-digit revenue code following the first zero digit.
- 17A Accrual Amount:** Post adjustments to the appropriate disbursement, reimbursement, transfer, or receipt account. The amounts entered should only be an adjustment to correct the account balances on the SCO records as of June 30.
- 17B D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 17C Net Debits/Credits:** Enter the net of the debits and credits in the Accrual Amount column and indicate it as D or C.
- 18 Attachment No.:** Enter a number referring to the supporting documentation with the same number. Supporting documents are required for each adjusting entry (e.g., copy of transaction request sent to accounting, etc).

REPORT NO. 3 Form 576 A (Rev. 3/10)

## Adjustments to Controller's Accounts

June 30, 20XX

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
<b>B</b>			

Agency Name and Number <b>1</b> <b>Governmental Accounting Advisory Board (1234)</b>		Fund Name and Number <b>2</b> <b>General Fund (0001)</b>	
Name of Contact Person, Title <b>3</b> <b>Bud G. Tary, Accounting Administrator</b>		Telephone Number <b>4</b> <b>916-555-1234</b>	Email Address <b>5</b> <b>Bud.G.Tary@gaab.ca.gov</b>

ACCOUNT TITLE	<b>6</b> ACCOUNT		<b>7A</b> AMOUNT	<b>7B</b>
	1420	4720		D C
DUE FROM OTHER APPROPRIATIONS			949.84	D
Net Credits/Debits			<b>7C</b> <b>949.84</b>	<b>D</b>

09



STATE CONTROLLER'S USE ONLY		
DOCUMENT NO.	DATE C C C C M M D D	MSG Code
JE		

**STATE OF CALIFORNIA  
OFFICE OF THE STATE CONTROLLER  
TRANSACTION REQUEST**

STATE CONTROLLER'S USE ONLY	
TC Code	VERIFIED BY:
	DATE:

PAGE 1 OF

Agency: <b>Governmental Advisory Board - 1234</b>	Address:	Agency Document Number:
--	----------	-------------------------

FUND	AGY	FY	M	REF / ITEM	FED CAT	P/N	C	CAT	PGM	ELE	COMP	TASK	ACCT	SCO USE	REV / OBJ	AMOUNT	D	C	A	T	O	B	SOURCE FUND
0001	4720	2011		001					10							949.84	DD						
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
Cor Sch 9466098 5-1-2012				Ch 33/11, Item 4270-001-0001																			
0001	1234	2011		001					10							949.84	CD						
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
Cor Sch 9466098 5-1-2012				Ch 33/11, Item 4270-001-0001																			
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									

<b>TYPE OF TRANSACTION:</b> Correction of claim schedule 9466098, dated 5-1-20XX, paid by warrant number 08-211186.	I hereby certify under penalty of perjury that I am the duly appointed, qualified, and acting officer of the herein named State agency, department, board, commission, office or institution; that the within transfer is in all respects true, correct, and in accordance with all applicable provisions or restrictions in the Budget Act, Federal Regulations, or other statute pertaining to the particular appropriation.
<b>LEGAL AUTHORITY AND REASON FOR REQUEST:</b>	
The agency code referenced on the claim was 1234 but should have been 4720. Efforts have been taken to ensure all manually prepared claim schedules are reviewed prior to submission.	
<b>AUTHORIZED SIGNATURE:</b>	
<b>CONTACT PERSON:</b> Bud G. Tary	
<b>PHONE FOR CONTACT:</b> (916) 555-1234	<b>DATE:</b> 6/29/20XX

NOT TO BE USED AS A CONTROLLER'S REMITTANCE ADVICE

CA 504 PC VERSION (7/1999)

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## **Year End Statement of Revenue (Report 4)**

The Final Statement of Revenue (Report 4) provides departments with a method of reconciling the total revenue on the department records with the total revenue on the SCO records as of June 30. Refer to SAM section 7956 for an illustration of Report 4. An example can also be found on the following pages.

### **The Report must include the following:**

- A listing of the revenue accounts and balances per the department's records. Only current year revenue accounts (e.g., 0161400 Miscellaneous Revenue) should be listed.
- The total revenue amount per the department's records. This total should agree with the amount recorded in GL Account Number 8000.
- A reconciliation of the total revenue per the department's records with the total revenue per the SCO records as of June 30. Revenue accruals reported on the Report of Accruals to Controller's Accounts (Report 1) and/or adjustments reported on the Adjustments to Controller's Accounts (Report 3) will be reconciling factors.

The revenues per the department's records should agree with the revenues reported to the DOF on schedule 10R for inclusion in the Governor's Budget.

During the processing of Reports 1 or 3, the SCO will refer to Report 4 to obtain additional information that may help resolve any discrepancies.

CSTARQ26 4220 (DEST: A1 SHL1) PY C \*\*\*\*\* 1(FUND)\*\*\*\*\* RUN DATE: 07/24/XX TIME: 06.30.00 \*CALSTARS  
 PRIOR FISCAL YEAR: 20XX

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)  
 YEAR END STATEMENT OF REVENUE  
 AS OF 06/30/XX

REPORT #4

\*\*\*\*\* PAGE 1

ENY: 20XX FFY: 20XX  
 FUND: 0001 GENERAL FUND

SOURCE	DESCRIPTION	ESTIMATED REVENUES	ACTUAL REVENUES	BALANCE
161400	MISCELLANEOUS REVENUE	0.00	30,192.12	30,192.12
*TOTAL FUND	0001	0.00	30,192.12	30,192.12

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RECONCILIATION OF STATE CONTROLLERS REVENUE WITH STATEMENT OF REVENUE, JUNE 30, 20XX

TOTAL REVENUE PER STATE CONTROLLERS OFFICE ACCOUNTS		\$ 25,867.62
RECONCILING FACTORS:		
ACCRUALS PER REPORT OF ACCRUALS	\$ 4,324.50	
ADJUSTMENTS TO CONTROLLERS ACCOUNTS	0.00	\$ 4,324.50
TOTAL REVENUE PER STATEMENT OF REVENUE		30,192.12

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF \_\_\_\_\_, 20XX AT SACRAMENTO, CALIFORNIA.

"REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS  
 PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS"

\_\_\_\_\_  
 SIGNATURE OF OFFICER

BUD G. TARY  
 ACCOUNTING ADMINISTRATOR

## **Final Reconciliation of Controller's Accounts with Final Budget Report (Report 5)**

The Final Reconciliation of Controller's Accounts with Final Budget Report (Report 5) provides departments with a method of reconciling the department's appropriation balances with the SCO balances as of June 30.

### **Reconciling factors include the following:**

- Expenditure accruals as reported on the Report of Accruals to Controller's Accounts (Report 1).
- Adjustments as reported on the Adjustments to Controller's Accounts (Report 3).
- Pending budget revisions, allocation orders, and/or executive orders.

After these amounts have been posted by the SCO, the appropriation balances per the SCO records should agree with the appropriation balances per the department's records. Use a footnote to explain any differences between the department and SCO records. The expenditures per the department's records should agree with the expenditures reported to the DOF on Schedule 10 for inclusion in the Governor's Budget.

Departments will be provided with a computer-generated form, available on the SCO website [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html) for each appropriation that exists on the SCO records as of June 30. Departments may create their own Report 5 (Form 573) for appropriations that were effective prior to July 1, but were not set up on the SCO records by June 30. The form must be in the same format as the SCO's computer generated forms.

During the processing of Reports 1 and 3, the SCO will refer to Report 5 to resolve any discrepancies.

All amounts reported as an increase/decrease of appropriation authority on the Final Reconciliation with Controller's Accounts with Final Budget Report (Report 5), for manual reports, or on the CSYDB3-1, for automated reports, must be substantiated by submitting supporting documentation. Supporting documentation will allow the SCO to confirm the validity of an amount reported as an increase/decrease in appropriation. Line appropriation accounts with overdrafts must be corrected.

### **Supporting Documentation Required**

Supporting documents are required for budget adjustments that increase or decrease appropriation balances as reflected on the CSYDB3-1 and/or Final Reconciliation of Controller's Accounts with Final Budget, Report 5. The support documentation (i.e., executive orders, budget letters, allocation orders, pending claim schedule, etc.) will allow the SCO to confirm the validity of an amount reported as an increase or decrease in appropriation authority and help us to identify overdrafts for a specific item within an appropriation.

If the department submits its year-end reports manually and posts accruals against reverted appropriations with pending claim schedules, indicate the following notation as a footnote on the Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records, Report 5:

**The amount on the Pending Budget Revisions (BR)/Allocation Orders (AO)/Executive Orders (EO) line in the Appropriation Balance column is there to cover an accrual posted for a pending claim schedule.**

**General Instructions**

- Prepare a separate report for each appropriation.
- Enter all amounts in dollars and cents. **Do not** use dollar signs (\$).

**Specific Instructions**

The instructions below are followed by an illustration of a completed Report 5. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 573

- 1 Fund, FY, and Item:** A separate Report 5 should be used for each appropriation maintained by the SCO.
- 2 June 30 Account Balance per State Controller's Records:** The total expenditure amount and the appropriation balance per SCO records as of June 30 are pre-printed on this line. **Do not** alter these amounts.
- 3 Reverse Prior Year Adjustment to Controller's Account:** The reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report 3) is pre-printed in the Expenditure column. **Do not** alter this amount. If the department does not agree with the pre-printed amount, provide a footnote to indicate the amount per the department's records.
- 4 Reverse Prior Year Expenditures/ Reimbursements Accrued:** The reversal of the accruals reported on the previous year's Report of Accruals to Controller's Accounts (Report 1) is preprinted in the Expenditure column. **Do not** alter this amount. If the department does not agree with the pre-printed amount, provide a footnote to indicate the amount per the department's records.
- 5 Reverse Prior Year Corrections Made by SCO:** The reversal of the corrections made by the SCO to the previous year's Report 1 and/or Report 3 is pre-printed in the Expenditure column. **Do not** alter this amount. If the department does not agree with the pre-printed amount, provide a footnote to indicate the amount per the department's records.

- 6 Apply Current Year Adjustments to Controller's Accounts:** Enter the total current year adjustments to the appropriation as reported on the Adjustments to Controller's Accounts (Report 3), Form 576B. Enter the amount in both the Expenditure and Appropriation Balance columns.
- 7 Apply Accruals per Report of Accruals to Controller's Accounts:** Enter the current year accruals for each category or program as reported on the Report of Accruals to Controller's Account (Report 1), Form 571C and 571D. Enter these amounts in both the Expenditure and Appropriation Balance columns, with the exception of the Office Revolving Fund Advance (Category 97) accrual, which must be reported in the Appropriation Balance column only.
- 8 Pending Budget Revisions, Allocation Orders, Executive Orders:** Enter an increase or decrease to the appropriation balance in the Appropriation Balance column for the following:
- Executive orders dated June 30 or earlier that were issued by the DOF but not recorded by the SCO as of June 30 (per section 7957 of the SAM).
  - Budget Revisions that were approved by the DOF by June 30 but not recorded by the SCO.
  - Allocation orders not recorded by the SCO as of June 30.
  - **Include supporting documents to support amounts reported on the pending budget revision, allocation order, and executive order line.** Copies of allocation orders, budget revisions, and executive orders are considered appropriate and substantial support documentation.
- 9 Advances to Other Funds and Prepayments to Service Revolving Fund:** The balance on the SCO records for Categories 96 and/or 98, is pre-printed in the Appropriation Balance Column. **Do not** alter this amount. Fill in the balance on the SCO records for Categories 97 and 99 in the Appropriation Balance column, if applicable.
- 10 Total:** Enter the net total for each column. The total of the Appropriation Balance Column must be zero or reflect a credit balance.

REPORT NO: 5  
JUNE 30 20XX

FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS  
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573(04/1997)

MAILCODE: 1234  
AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD  
FUND 0001000 GENERAL FUND  
FY: 20XX

(1)

CHAPTER NO. XX/XX

ITEM NO. 1234-001-0001

		***** SCO USE ONLY *****	EXPENDITURES	APPROPRIATION BALANCE
	** JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	(2)	221,553.96	-5,446.04
	** REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	(3)		
	** REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	(4)		
	** REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	(5)		
	APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	(6)	-949.84	-949.84
	APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	(7)		
SCO ACCOUNT CODE				
-----				
	10 A - CONTINUING PROGRAM COSTS		70,851.65	70,851.65
	97 20 UNALLOCATED REDUCTION			
	90 B - REIMBURSEMENTS		-54,914.65	-54,914.65
	98 PREPAYMENTS TO SERVICE REVOLVING FUND - OTHER SERVICES			(9) -10,000.00
	99 PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS	(8)		
TOTAL			236,541.12	-458.88

## **Pre-Closing and Post-Closing Trial Balance (Reports 7 and 8)**

The **Pre-Closing Trial Balance (Report 7)** provides the department's June 30 GL account balances for assets, liabilities, fund equity, receipts, and disbursements before the nominal accounts have been closed.

The **Post-Closing Trial Balance (Report 8)** provides the department's June 30 GL account balances for assets, liabilities, and fund equity accounts remaining after nominal accounts have been closed.

The balances in both reports reflect the accruals as reported on the Report of Accruals to Controller's Accounts (Report 1) and/or the adjustments as reported on the Adjustments to Controller's Accounts (Report 3). During the processing of Reports 1 or 3, the SCO will refer to Reports 7 and 8 to obtain additional information that may help to resolve any discrepancies.

Refer to SAM section 7962—Illustrations 1 and 2 for a sample of Report 7 and 8.

For **abnormal balances** on CALSTAR's Reports 7 and 8 and the fund balance of a fund with the excess of the assets over its liabilities, refer to page 70.

### **Report 7—Statewide Assessment expenditures should be reported by the administering department or fund administrator.**

The administering department or fund administrator is responsible for recording and reporting Statewide Assessment expenditures on Report 7, although the expenditures are charged under other org code(s) for the following statewide projects: SCO – GAAP, SCO – MyCalPAYS, FISCAL, and DOF – FSCU. These expenditure assessments are the shared costs associated with statewide projects.

Please note that, for shared funds, only the administering department will record and report these statewide assessments.

Total expenditures reported on Report 7 must agree with the total expenditures reported on Report 15. Refer to the instructions on Report 15 page 73.

- For a **Non-CALSTARS** administering department/fund administrator, Statewide Assessment expenditures will be reported in the Appropriation Expenditures GL 9000 column on Report 15.
- For a **CALSTARS** administering department/fund administrator submitting manual financial reports, Statewide Assessment expenditures will **not** be reported in GL 9000 on Report 7 (although they still reflect in the fund balance), but will be reported separately in the Statewide Assessments column on Report 15.

CALSTARS departments should refer to the CALSTARS Procedures Manual for detailed instructions on how to record the transaction

## Abnormal Balance(s) Explanation Required

All abnormal balances reported on Reports 7 and 8 must be explained. Provide an explanation for any abnormal GL account balance for all fund types either as a footnote on the report(s) or on a separate sheet of paper as an attachment.

For departments using CALSTARS, any abnormal balance(s) on the CALSTARS's G02, Reports 7 and 8, will be identified with an asterisk(s) (\*), which indicates that explanations are required.

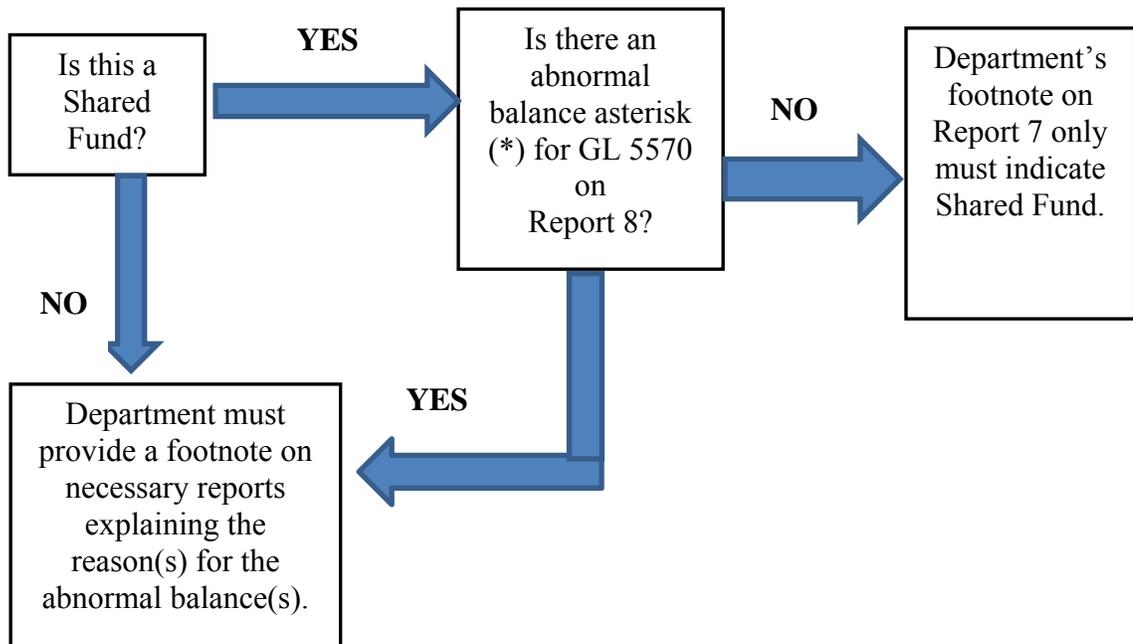
Following are examples of abnormal balances:

- Asset accounts with credit balances
- Liability accounts with debit balances
- Revenue and Transfer-In accounts with debit balances
- Expenditure and Transfer-Out accounts with credit balances

The **fund balance** of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance on Report 8, Post-Closing Trial Balance, for all funds should have either a zero or a credit balance. Funds reporting a debit balance in the Fund balance account must provide a footnote on Report 8 or an attachment explaining the negative (deficit) fund balance.

### Shared Funds

Please use the following flowchart to help determine how to footnote an abnormal balance asterisk on the Report 7 (CALSTARS G02) for the GL 5570 – Fund Balance Clearing Account



CSTARG02 4220 (DEST: A1 SHL1) PY \*\*0(ORG)\*\*\*\*\* 1(FUND)\* FND(ALL)\*\*\*\*\* RUN DATE: 07/24/09 TIME: 06.30.XX \*CALSTARS  
 PRIOR FISCAL YEAR: 20XX

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)  
 PRE-CLOSING TRIAL BALANCE  
 AS OF 06/30/XX

(REPORT 7)  
 PAGE 1

FUND: 0001 GENERAL FUND

GLAN	DESCRIPTION	DEBITS	CREDITS	GLAN
1110	GENERAL CASH	4,324.50	0.00	1110
1312	ACCOUNT RECEIVABLE - REIMBURSEMENTS	22,981.50	0.00	1312
1315	ACCOUNTS RECEIVABLE DISHONORED CHECKS	75.00	0.00	1315
1319	ACCOUNTS RECEIVABLE OTHER	72.22	0.00	1319
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	31,933.15	0.00	1400
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	147.22	1600
1710	EXPENSE ADVANCES	1,046.22	0.00	1710
1730	PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS	10,000.00	0.00	1730
3010	ACCOUNTS PAYABLE	0.00	44,439.94	3010
3020	CLAIMS FILED	0.00	16,041.33	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	15,089.34	3110
3400	ADVANCE COLLECTIONS	0.00	23,990.82	3400
5570	FUND BALANCE--CLEARING ACCOUNT	0.00	164,566.07	5570
8000	REVENUE/OPERATING REVENUE	0.00	30,192.12	8000
8100	REIMBURSEMENTS	0.00	134,247.07	8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	358,281.32	0.00	9000
*TOTAL FUND	0001	428,713.91	428,713.91	

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REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

SIGNATURE OF OFFICER

BUD G. TARY  
 TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR  
 TITLE OF OFFICER

CSTARG02 4220 (DEST: A1 SHL1) PY \*\*0(ORG)\*\*\*\*\* 1(FUND)\* FND(ALL)\*\*\*\*\* RUN DATE: 07/24/09TIME: 06.30.XX \*CALSTARS  
 PRIOR FISCAL YEAR: 20XX

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)  
 POST-CLOSING TRIAL BALANCE  
 AS OF 06/30/XX

(REPORT 8)  
 PAGE 1

FUND: 0001 GENERAL FUND

GLAN	DESCRIPTION	DEBITS	CREDITS	GLAN	SUBSID FILE GL ACCOUNT
1110	GENERAL CASH	4,324.50	0.00	1110	
1312	ACCOUNT RECEIVABLE - REIMBURSEMENTS	22,981.50	0.00	1312	
1315	ACCOUNTS RECEIVABLE DISHONORED CHECKS	75.00	0.00	1315	
1319	ACCOUNTS RECEIVABLE OTHER	72.22	0.00	1319	
1410	DUE FROM OTHER FUNDS OR APPROPRIATIONS	31,933.15	0.00	1410	1400
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	147.22	1600	1600
1710	EXPENSE ADVANCES	1,046.22	0.00	1710	
1730	PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS	10,000.00	0.00	1730	
3010	ACCOUNTS PAYABLE	0.00	44,439.94	3010	
3020	CLAIMS FILED	0.00	16,041.33	3020	
3114	DUE TO OTHER FUNDS	0.00	11,564.72	3114	3110
3115	DUE TO OTHER APPROPRIATIONS WITHING THE SAME FUND	0.00	3,524.62	3115	3110
3400	ADVANCE COLLECTIONS	0.00	23,990.82	3400	
5570	FUND BALANCE--CLEARING ACCOUNT	29,276.06	0.00	5570	
*TOTAL FUND	0001	99,708.65	99,708.65		

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\*Add footnote here for the abnormal fund balance

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

SIGNATURE OF OFFICER

JANE SMITH  
 TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR  
 TITLE OF OFFICER

## Reconciliation of Agency Accounts with Transactions per State Controller (Report 15)

The Reconciliation of Agency Accounts with Transactions per State Controller (Report 15) provides departments with a method of ensuring the accuracy and completeness of their revenue and expenditure accounts. The detailed revenue, expenditure, reimbursements, transfer-in and transfer-out accounts are summarized to the appropriate GL accounts and are reconciled with transactions per the State Controller. Refer to SAM 7976 Illustrations for a sample of Report 15 and also on the following pages.

During the processing of the Report of Accruals to Controller's Accounts (Report 1) and/or the Adjustments to Controller's Accounts (Report 3), the SCO will refer to Report 15 to obtain additional information that may help to resolve any discrepancies.

### General Instructions

- Prepare a separate report for each fund
- Enter all amounts in dollars and cents
- Submit **one** copy
- Report with a minimum font size of 10, and on legal-sized paper when necessary

### Specific Instructions

The instructions below are followed by an illustration of a completed Report 15. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

#### Report 15

- |  |  |
|--|--|
| <b>1 Account:</b>  | Enter all nominal accounts, including appropriation expenditures, reimbursements, revenue accounts, refunds to reverted appropriation, transfers-in, transfers-out, and other accounts from the monthly reconciliation report. |
| <b>2 Transactions per Controller (column A):</b>                           | Enter the balances per the SCO records as of June 30.  |
| <b>3 Reverse Prior Year Adjustment to Controller's Account (column B):</b> | Enter the reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report 3), Form 576B.  |
| <b>4 Reverse Prior Year Accruals (column C):</b>                           | Enter the reversal of the accruals on the previous year's Report of Accruals to Controller's Accounts (Report 1), Forms 571C and 571D.   |

<b>5</b>	<b>Reverse Prior Year Corrections Made by SCO (column D):</b>	Enter the reversal of any prior year corrections made by the SCO to the Report of Accruals to Controller's Accounts (Report 1) and/or to the Adjustments to Controller's Accounts (Report 3).
<b>6</b>	<b>Apply Current Year Adjustments to Controller's Accounts (column E):</b>	Enter the current year adjustments for each revenue or appropriation account as reported on the Adjustments to Controller's Accounts (Report 3), Form 576B.
<b>7</b>	<b>Apply Current Year Accruals (column F):</b>	Enter the current year accruals for each revenue, expenditure reimbursement, transfer-in, and transfer-out account as reported on the Report of Accruals to Controller's Account (Report 1), Forms 571C and 571D.
<b>8</b>	<b>Total (column G):</b>	Enter the total of columns A through F.
<b>9</b>	<b>Appropriation Expenditures (column H):</b>	Enter the amount from the total in column G that applies to GL Account 9000. This amount must agree with the amount of GL 9000 on the Pre-Closing Trial Balance (Report 7).
<b>10</b>	<b>Reimbursements (column I):</b>	Enter the amount from the total in column G that applies to GL Account 8100. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).
<b>11</b>	<b>Revenue (column J):</b>	Enter the amount from the total in column G that applies to GL Account 8000. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).
<b>12</b>	<b>Refunds to Reverted Appropriations (column K):</b>	Enter the amount from the total in column G that applies to GL Account 9891. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).
<b>13</b>	<b>Prior Year Appropriation Adjustments (column L):</b>	Enter the amount from the total in column G that applies to GL Account 9896. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).
<b>14</b>	<b>Prior Year Revenue Adjustments (column M):</b>	Enter the amount from the total in column G that applies to GL Account 9892. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).
<b>15</b>	<b>Operating Transfers-In (column N):</b>	Enter the amount from the total in column G that applies to GL Account 9811. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).

- 16 Operating Transfers-Out (column O):** Enter the amount from the total in column G that applies to GL Account 9812. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).
- 17 Statewide Assessments (column P):** Enter the amounts for statewide assessments: SCO – GAAP, SCO – MyCalPAYS FI\$Cal, and DOF – FSCU Assessments, that are charged against the fund by departments other than your own department’s org. code. The SCO journal entry for these assessments will display the org. code of the department assessing the charges (e.g., 0840 for SCO, 8860 for DOF). Do not include statewide assessments on the Report 15 for charges recorded against the department’s org code, as these types of assessments are charged to the department’s appropriations (e.g. Pro Rata).

CALSTARS administering departments that submit manual reports should enter the statewide assessments in this separate column on Report 15; this column is independent of other figures on Report 15. CALSTARS departments should refer to the CALSTARS Procedures Manual for detailed instructions on how to record the transactions.

Non-CALSTARS administering departments should record the statewide assessment as an expenditure and enter it in the Appropriation Expenditures column on Report 15. Total amount in the Appropriation Expenditure column on Report 15 must agree to total expenditures on Report 7.

**Include all nominal GL accounts:** A separate column must be included for each nominal GL account (GLs 8000-9999) that appears on the Pre-Closing Trial Balance and for statewide assessments, if applicable. Additional columns may be added or unused columns may be relabeled or deleted as needed.

State Controller's Office - Year-End Financial Reports Procedure Manual - Budgetary Legal Basis

**Reconciliation of Agency Accounts with Transactions per State Controller  
Report No. 15**

Agency: Governmental Accounting Advisory Board (1234)

Fund: General Fund (0001)

June 30, 20XX

Account	Reverse Prior Year						Apply Current Year		Transactions For Agency Accounts								
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
	Transactions per Controller	Adj to Controller's Accounts	Accruals	Corrections made by Controller's	Adj to Controller's Accounts	Accruals	Appropriation Total	Appropriation Expenditures	Reimbursements	Revenue	Refunds to Reverted Approp	PY Approp Adj	PY Revenue Adj	Transfer In	Transfer Out	Statewide 1/ Assessments	
①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬	⑭	⑮	⑯	⑰	
Item 1234-001-0001																	
State Operations, FY 11/12																	
Chapter 33/11																	
A. Program 10	297,710.31				(349.84)	70,851.65	367,612.12	367,612.12									
B. Category 90-Reimb	(76,156.35)					(54,914.65)	(131,071.00)		(131,071.00)								
C. Category 98 Adv to SRF	10,000.00					(10,000.00)	0.00										
Item 1234-001-0001																	
State Operations, FY 10/11																	
Chapter 712/10																	
A. Program 10	39,607.06		(44,065.50)			3,672.74	(785.70)	(785.70)									
B. Category 90-Reimb	(20,816.61)		20,640.54				(176.07)		(176.07)								
C. Category 98 Adv to SRF	(14,000.00)		14,000.00				0.00										
Item 1234-001-0001																	
State Operations, FY 09/10																	
Chapter 1/09																	
A. Program 10	1,054.90		(3,600.00)				(8,545.10)	(8,545.10)									
B. Category 90-Reimb	(3,000.00)						(3,000.00)		(3,000.00)								
Revenue FY 11/12																	
161400 Misc	(25,867.62)					(4,324.50)	(30,192.12)			(30,192.12)							
SCO - GAAP Assessments																200.45	
DOF - FSCU Assessments																600.50	
FI&Cal Assessments																10,300.00	
<b>TOTALS PER AGENCY</b>	<b>208,531.69</b>	<b>0.00</b>	<b>(13,024.96)</b>	<b>0.00</b>	<b>(349.84)</b>	<b>5,285.24</b>	<b>193,842.13</b>	<b>358,281.32</b>	<b>(134,247.07)</b>	<b>(30,192.12)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		

1/ To be reported by fund administering departments only. CALSTARS departments submitting manual reports will enter the statewide assessments in a separate column; this column is independent of other figures on the Report No. 15. Non-CALSTARS departments will enter the amounts in the Appropriation Expenditures column. The Expenditure column must agree with the amount on the Pre-Closing Trial Balance.

# **Nongovernmental Cost Funds**

## **Budgetary/Legal Basis**

### **Nongovernmental Cost Funds**

**Nongovernmental Cost Funds** consist of those funds that derive their revenue from sources other than general and special taxes, licenses, fees, or other state revenue. Expenditures of these funds do not represent a cost of government. There are three major fund classifications under this group: Bond Funds, Trust and Agency Funds – Federal, and Other Nongovernmental Cost Funds. The purpose of each fund classification is described as follows:

**Bond Funds** are used to record proceeds from the sale of general obligation bonds and expenditures for the acquisition of property and capital outlay. They are also used to record loans to local departments for the same purposes. Refer to page 33 for Required Year-End reports.

**Trust and Agency Funds – Federal** are used to account for money that is received from the federal government to be expended for specific purposes.

**Other Nongovernmental Cost Funds** are used to account for the following revenues and services:

**Public Service Enterprise Funds** are used to account for transactions of State-operated enterprises that render services primarily to the public for a charge.

**Working Capital and Revolving Funds** are used to account for the internal service activities rendered by a state department for other state departments or local governments.

**Retirement Funds** are used to account for contributions received by various retirement systems, the investment of these moneys, retirement allowances, and refunds to members.

**Trust and Agency Funds – Other** are used to account for money and properties that are received and disbursed by the State as trustee or custodian.

## Required Year-End Reports for Nongovernmental Cost Funds

The year-end reports required by the SCO for Nongovernmental Cost Funds, excluding bond funds, are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
3	—	576A	7955	Adjustments to Controller's Accounts
7	G02	—	7962	Pre-Closing Trial Balance
8	G02	—	7962	Post-Closing Trial Balance (includes Subsidiaries on File)
9 <sup>a</sup>	G04	—	7963	Statement of Operations (Analysis of Change in Fund Balance) <b>Also required for Federal Trust Funds (0890)</b>
13 <sup>b</sup>	Q34	—	7974	Report of Expenditures of all Federal Funds
20 <sup>a</sup>	G04	—	7979	Statement of Financial Condition

### Special Reports<sup>c</sup>:

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
14 <sup>d</sup>	—	STD. 445	7975	Report of Accounts Outside the State Treasury - Revised form dated September 2014 <b>Two copies per department: One hard copy and one electronic copy (Excel version)</b> Required even if there are no accounts to report (refer to page 108)
18 <sup>e</sup>	G05	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts <b>One Report per fund (If there are amounts in any column beginning balance/ additions/deductions/ending balance.)</b>
19 <sup>e</sup>	G05	—	7978	Statement of Capital Assets Group of Accounts <b>One Report per department</b>
22 <sup>f</sup>	—	—	7980	Statement of Contingent Liabilities <b>One Report per fund</b>

(Continued)

- a. Required for non-shared funds. Report 9 is also required for Federal Trust Fund (0890).
- b. Required for the Federal Funds only. Submit the original signed report to the DOF, FSCU and one copy to the SCO (see page 10 for mailing addresses).
- c. If your department does not have amounts to report on the special reports, indicate it on your Certification Letter. Refer to the Certification Letter instructions on page 22.
- d. Include all accounts used by your department on one report (see page 108 for detailed instructions).
- e. Failure to submit Report(s) 18 and/or Report 19 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.
- f. Not required for Fund 0990 (Non-Treasury Trust Fund).

**Supplemental Forms:**

Refer to the instruction on pages 122-128.

Report No.	CALSTARS Report	Form No.	SAM Sec.	Report Description
				Due To/From Other Funds/Appropriations Supplemental Form <sup>a</sup> <b>Two copies: One hardcopy and one electronic copy (Excel version)</b>
				Material Variance Explanation Form <b>One Report per fund regardless of activities</b>

(Concluded)

<sup>a.</sup> If your department accrues for Due To/From Other Funds/Appropriations (GL 1410, 1420, 3114, 3115) on Reports 1, 3, and Revision to Reports 1 and 3, you must complete the Due To/From Other Funds/Appropriations Supplemental Form.

## Adjustments to Controller's Accounts (Report 3)

Adjustments to Controller's Accounts (Report 3) is a system input document containing the adjusting entries needed to bring the department's balances into agreement with the SCO cash basis accounts as of June 30 for the following GL accounts:

Account Number	Account Title
1140	Cash in State Treasury
1210	Deposits in Surplus Money Investment Fund
1730.0666001	Prepayments to Service Revolving Fund, Purchasing
1730.0666002	Prepayments to Service Revolving Fund, Printing
2120	Advances to Other Funds

For the GL accounts listed above, the total of the amounts entered on Report 3 combined with the amounts on Report 7 should agree with the SCO's account balances as of June 30. Typically, the opposite side of the adjustments to any of these accounts is GL Account Number 1410 (Due From Other Funds) or GL Account Number 3114 (Due To Other Funds.) **Do not** make adjusting entries for nominal accounts (receipts and disbursements), as the correct amount is already reflected on the Pre-Closing Trial Balance (Report 7).

Adjustments to Controller's Accounts (Report 3), Form 576A should be completed in the same manner as the Report 3 for governmental cost funds. An attachment explaining the reason for the adjustments must be included with this report. When the SCO processes the report, the explanation of the adjustments is reviewed to obtain additional information that may help to resolve discrepancies.

As the Adjustments to Controller's Accounts (Report 3) is used as a system input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Following are two examples of when to use the Adjustments to Controller's Accounts (Report 3) for nongovernmental cost funds:

**Example 1:**

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report 7) as of June 30 is *more* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>	<u>SCO June 30 Balance</u>
1140 Cash in State Treasury    \$5,000.00	1140 Cash in State Treasury    \$3,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1410.XXXX	\$2,000.00			
	Cr.    1140	\$2,000.00			

The combination of the department's Pre-Closing Trial Balance (Report 7) and the Adjustments to Controller's Accounts (Report 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report 7	Department Report 3	SCO June 30 Balance
\$5,000.00	+    (\$2,000.00)	=    \$3,000.00

**Example 2:**

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report 7) as of June 30 is *less* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>	<u>SCO June 30 Balance</u>
1140 Cash in State Treasury    \$4,000.00	1140 Cash in State Treasury    \$7,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1140	\$3,000.00			
	Cr.    3114.XXXX	\$3,000.00			

The combination of the department's Pre-Closing Trial Balance (Report 7) and the Adjustments to Controller's Accounts (Report 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report 7	Department Report 3	SCO June 30 Balance
\$4,000.00	+    \$3,000.00	=    \$7,000.00

**General Instructions**

- Submit an original only. Also send a signed original to the SCO's State Accounting Section.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do not use dollar signs (\$).
- Leave Amount column blank for accounts with zero balances.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the adjustment. Each entry on Report 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the Account Title column on form 576A.

**Specific Instructions**

The instructions below are followed by an illustration of a completed Report 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- |  |  |
|--|--|
| <b>1 Department Name and Number:</b>       | Enter Department name and number.  |
| <b>2 Fund Name and Number:</b>             | Enter fund name and corresponding four-digit fund number.  |
| <b>3 Name of Contact Person and Title:</b> | Enter the name and the title of the person who should be contacted to answer questions concerning this report. |
| <b>4 Telephone Number:</b>                 | Enter the contact person's telephone number.   |
| <b>5 Email Address:</b>                    | Enter the contact person's e-mail address.   |

- 6 Account:**
- On the Adjustment to Controller's Accounts (Report 3), Form 576A, enter the proper four-digit account number using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.
  - For Non-CALSTARS departments: to identify the other fund involved in an inter-fund transaction, enter the four-digit fund number and, if applicable, a three-digit subfund number immediately following the GL account numbers listed below.
  - List on the Due To/From Other Funds/Appropriations Supplemental Information Form for GL 1410, 1420, 3114, and 3115.  
  
1410.XXXX Due From Other Funds  
1730.XXXX Prepayments to Other Funds or Appropriations  
3114.XXXX Due To Other Funds  
5330.XXXX Reserve for Prepaid Items
  - Include the four-digit org code of the department involved in the transaction as the subsidiary number for GL Account 1420, Due From Other Appropriations, and 3115, Due To Other Appropriations.  
  
1420.XXXX Due From Other Appropriations  
3115.XXXX Due To Other Appropriations
  - Enter a four-digit GL accounts receivable code immediately following the GL account numbers listed below to identify the related receivable. The code must be preceded by a "0."  
  
1390.0XXXX Allowance for Uncollectible Accounts  
1600.0XXXX Provision for Deferred Receivables
- 7A Amount:** Post adjustments to the appropriate GL accounts. The amounts entered should only be adjustments needed to bring the department's balances on the Pre-Closing Trial Balance (Report 7) into agreement with the SCO's cash basis balances as of June 30.
- 7B D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the Amount column and indicate as D or C.

**REMINDER**

REPORT NO. 3 Form 576 A (Rev. 3/10)

## Adjustments to Controller's Accounts

June 30, 20XX

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
<b>B</b>			

Agency Name and Number <b>1</b> <b>Governmental Accounting Advisory Board (1234)</b>		Fund Name and Number <b>2</b> <b>Parking Fund (XXXX)</b>	
Name of Contact Person, Title <b>3</b> <b>Bud G. Tary, Accounting Administrator</b>		Telephone Number <b>4</b> <b>916-555-1234</b>	Email Address <b>5</b> <b>Bud.G.Tary@gaab.ca.gov</b>

ACCOUNT TITLE	6 ACCOUNT	7A AMOUNT	7B	
			D	C
CASH IN TREASURY	1140	2,000.00		C
DUE FROM OTHER FUNDS	1410	2,000.00		D
<b>Net Credits/Debits</b>			<b>7C</b>	<b>—</b>

## Pre-Closing Trial Balance (Report 7)

The **Pre-Closing Trial Balance (Report 7)** provides the department's June 30 GL account balances for assets, liabilities, fund equity, receipts, and disbursements before nominal accounts have been closed. The June 30 balances reported for each account should include the June 30 cash balance, any current year accruals, current year adjustments, and prior year accrual reversals.

Note: **Do not** submit a Report of Accruals to Controller's Accounts (Report 1) for nongovernmental cost funds.

**Non-CALSTARS departments:** On the Pre-Closing Trial Balance, Report 7, change the heading for the GL account numbers' column to read "**GLAN**". The heading change will assist our key-data operators by matching the field title they see on their input screen with the column heading on the input document (the Pre-Closing Trial Balance). An example can be found on page 90 of this Manual.

As this report is used as a system input document by the SCO, it is important for departments to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

**Revisions:** If revisions are necessary after the initial Pre-Closing Trial Balance (Report 7) is submitted, follow the instructions on pages 151-152 for Form 571E focusing on GL accounts only.

Include on Form 571E only the **difference** between the original Pre-Closing Trial Balance (Report 7) account balances and the revised account balances. Debits and Credits must equal. A revised Pre-Closing Trial Balance (Report 7) is not required.

Form 571F is **not** needed because detail accounts are only used for reporting governmental cost fund revenues, expenditures, and transfers.

**Footnotes for Abnormal Balances Explanation:** Provide an explanation for abnormal GL account balances as a footnote on the report or on a separate sheet of paper as an attachment. Refer to page 70 on reporting requirements for Abnormal Balances for Reports 7 and 8.

**Long-Term Loan Disclosure:** For all departments, a footnote disclosure is required for any interest or loan repayments due within the year. These repayments should be footnoted on Report 7. The footnote is necessary to fully disclose the fund's liabilities, and should include the terms of the loan, such as date of issuance, repayment terms, and interest rate; current loan balance and interest earned or owed.

Example: Issue date - 7/14/XXXX, 5 year loan, due date - 6/30/XX, interest rate of 6%, amount of loan balance at current fiscal year-end - \$50,000.00, amount of loan repayments due within the year - \$20,000.00, interest owed/earned - \$3,000.00.

## Report 7 - Statewide Assessments

For Non-CALSTARS Departments, the administering department or fund administrator of a fund is responsible for including Statewide Assessment expenditures on the Report 7, although the expenditures are charged under other org code(s). These expenditure assessments are the shared costs associated with statewide projects such as SCO – GAAP, SCO – MyCalPAYS, FI\$Cal, and DOF – FSCU.

### General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do not use dollar signs (\$).
- Leave amount column blank for accounts with zero balances.
- Total debits must equal total credits.

### Specific Instructions

The instructions below are followed by an illustration of a completed Report 7. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

**1 Department:**

Enter department name and number.

**2 Fund:**

Enter fund name and corresponding fund number.

**3 Report:**

Report name and report number.

**4 Account Number:**

- Use the lowest-level GL account numbers listed in the Uniform Codes Manual.
  - **Non-CALSTARS departments:** To identify the other fund involved in an inter-fund transaction, enter the four-digit fund number and, if applicable, a three-digit subfund number immediately following the GL account numbers listed below.

### REMINDER

- List on Due To/From Other Funds/Appropriations Supplementary Information Form for GL 1410 and 3114.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or Appropriations

3114.XXXX Due to Other Funds

5330.XXXX Reserve for Prepaid Items

2170.XXXX Inter-fund Loans Receivable (replaces  
1410.XXXX)

4050.XXXX Inter-fund Loans Payable (replaces 3114.XXXX)

- List on Due To/From Other Funds/Appropriations Supplementary Information Form for GL 1420 and 3115
- Enter the four-digit org code immediately following the GL account numbers listed below to identify the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

- For nongovernmental funds, other than General Obligation Bond Funds, encumbrances should be posted to the appropriate liability accounts 3010, 3114, 3115, 3220, and 3290. CALSTARS departments should refer to the encumbrance reclassification process in the CALSTARS Procedure Manual, Volume 7, Chapter III, page 15.
- All accrued reimbursements that will fund the accrued encumbrances should be accrued under their respective asset accounts (CLs 1312, 1410, 1510, and 1590); if such reimbursements had been accrued all under GL 1312, Accounts Receivable – Reimbursements, the department must reclassify them to the proper asset accounts.
- For Non-CALSTARS Report 7, use “**GLAN**” as the heading for the GL accounts’ column.
- For departments not on CALSTARS, enter a four-digit GL accounts receivable number immediately following the GL account numbers listed below to identify the related receivable. The code must be preceded by a “0”.

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

The amount reported for each of the two GL accounts listed above must not exceed the amount reported for its related receivable.

- For CALSTARS departments, submit the Subsidiaries on File Report (CSTARG02), which will provide the SCO with the required subsidiary numbers.
- For CALSTARS departments, submit the Trial Balance of GL Accounts (CSTARG01) for all shared nongovernmental cost funds. This report will provide the SCO with the ending balance of the Cash in State Treasury (GL 1140) for shared funds.

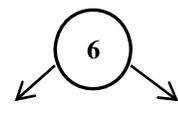
- Abnormal balances on the Report 7 (CSTAR02) will be automatically identified with asterisks (\*). The asterisk will assist departments with identifying the abnormal balances requiring an explanation
- For all departments, all Due From Other Funds (1410.XXXX) must equal the related Due To Other Funds (3114.XXXX) as reported by the other fund/department. Departments must coordinate related amounts reported to ensure that they are equal. Use the Due To/From Other Funds/Appropriations Supplementary Information Form (format on page 125 of this Manual) to provide the SCO with the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Reports 3 and 7.

**5 Account Title:** Complete the account title that corresponds with the respective account number.

**6 Debit or Credit:** Post the department's balance for each GL account in the proper column.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234) **1**  
 FUND: SERVICE REVOLVING FUND (0666001) **2**

PRE-CLOSING TRIAL BALANCE (REPORT 7) **3**  
 AS OF JUNE 30, 20XX **4**



GLAN <b>5</b>	ACCOUNT TITLE	DEBIT	CREDIT
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C.	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420 <b>(1234)</b>	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115 <b>(1234)</b>	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		59,084,279.01
8000	REVENUE		390,150,138.88
8110	INTRA-STATE REIMBURSEMENTS		53,463,651.00
9000	APPROPRIATION EXPENDITURES	438,870,713.05	
9030	CAPITAL OUTLAY	1,737,000.00	
9898	PRIOR YEAR ADJUSTMENTS	18,544,523.73	
TOTAL		701,932,525.23	701,932,525.23

**Reminder:**  
 Four-digit  
 org code  
 required

The  
 Nominal  
 Accounts  
 will be  
 closed to  
 fund  
 balance.

## **Post-Closing Trial Balance (Report 8)**

The Post-Closing Trial Balance (Report 8) provides the department's June 30 GL account balances for assets, liabilities, and fund equity accounts after the nominal accounts have been closed. During the processing of Report 7, the SCO will refer to the Report 8 and its supporting documentation to help resolve any discrepancies.

The Fund Balance of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance should be a positive amount. Funds reporting a negative fund balance must provide a footnote on the Post-Closing Trial Balance (Report 8) explaining the negative fund balance. Refer to page 70 on reporting requirements for Abnormal Balances Explanation for Reports 7 and 8.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)

FUND: SERVICE REVOLVING FUND (0666001)

POST-CLOSING TRIAL BALANCE (REPORT 8)

AS OF JUNE 30, 20XX

<u>GLAN</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420.1234	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115.1234	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		43,545,832.11
		<u>242,780,288.45</u>	<u>242,780,288.45</u>
TOTAL			

## **Report 7 and 8 For Federal Trust Fund**

Year-end reports for the Federal Trust Fund (Fund 0890) should **not** be submitted unless there is a zero fund balance. Inflows must equal outflows when accounting for the Federal Funds. There must be a zero fund balance after nominal accounts are closed. If you are accruing revenue or transfers-in (inflows), you should also be accruing an expenditure or transfers-out (outflows).

The year-end Closing Instructions of the CALSTARS Procedures Manual in Volume 7, Chapter V state the following:

**NOTE:** Fund may have Transfers-In/Out (GL 9811/9812) activity along with other nominal accounts. GL 5530, Fund Balance-Un-appropriated must be zero.

Also, for nongovernmental cost fund reports, and specifically for Report 7, Pre-Closing Trial Balance, total amounts of GL Accounts 8000 (Revenue) and GL 9000 (Expenditures) must be equal.

## **Analysis of Change in Fund Balance (Report 9)**

The Analysis of Change in Fund Balance (Report 9), also known as the Statement of Operations, provides the beginning fund balance for the fiscal year plus any additions (e.g., revenues), less any deductions (e.g., expenditures) to determine the fiscal year's ending fund balance. The Analysis of Change in Fund Balance (Report 9) is required for non-shared funds and also the Federal Trust Fund (0890).

The beginning fund balance must equal the ending fund balance from the previous year's Report 9. If the department made entries that changed the previous year's ending fund balance reported to the SCO, the beginning fund balance and Prior Year Adjustment accounts on Report 9 must be footnoted to explain the difference.

During the processing of the Pre-Closing Trial Balance (Report 7), the SCO will refer to Report 9 to obtain additional information that may help resolve any discrepancies.

**Governmental Accounting Advisory Board (1234)  
Service Revolving Fund (0666001)**

**Analysis of Change in Fund Balance – Report 9  
June 30, 20\_\_**

Account Number	Account Title	Total
5540	Fund Balance, June 30, 20XX	\$ 59,084,279.01
	Additions:	
8000	Revenue	\$ 390,150,138.88
8100	Intra-State Reimbursements	53,463,651.00
	Total Additions	443,613,789.88
	Deductions:	
9000	Appropriation Expenditures	438,870,713.05
9030	Capital Outlay	1,737,000.00
9898	Prior Year Adjustments	18,544,523.73
	Total Deductions	459,152,236.78
5540	Fund Balance, June 30, 20XX	\$ <u>43,545,832.11</u>

## **Report of Expenditures of Federal Funds (Report 13)**

The Report of Expenditures of Federal Funds (Report 13) provides the department's expenditures and encumbrances for each federal award by Catalog of Federal Domestic Assistance (CFDA) number.

The remaining balance of the grant must not be accrued as an expenditure if it is not a valid obligation incurred as of June 30.

Note: Report American Recovery and Reimbursement Act (ARRA) expenditures separately from non-ARRA expenditures in instances when the same CFDA number is used.

Submit the **original signed** Report 13 to the Department of Finance (DOF), Fiscal System and Consultant Unit (FSCU) and a copy of the report to the SCO with the year-end reports. Mailing addresses are available on page 10 of this Manual.

**Department Name and Organization Code**  
**REPORT OF EXPENDITURES OF FEDERAL FUNDS – REPORT NO. 13**  
**As of June 30, 20\_\_**

**FUND: 0890 FEDERAL TRUST FUND**

	Expenditures -1-	Encumbrances -2-	Total Budgetary Expenditures -3-
CFDA No. Program Title 1/			
10.500 Cooperative Extension Service	\$100,000,000.00	\$100,000,000.00	\$200,000,000.00
20.205 Highway Planning and Construction	35,000,000.00	15,000,000.00	50,000,000.00
93.778 Medical Assistance Program	<u>320,000,000.00</u>	<u>30,000,000.00</u>	<u>350,000,000.00</u>
Totals 2/	<u>\$455,000,000.00</u>	<u>\$145,000,000.00</u>	<u>\$600,000,000.00</u>
<b>ARRA</b>			
20.205 Highway Planning and Construction	\$115,000,000.00	\$15,000,000.00	\$130,000,000.00
93.778 Medical Assistance Program	<u>\$60,000,000.00</u>	<u>\$10,000,000.00</u>	<u>\$70,000,000.00</u>
Totals 2/	<u>\$175,000,000.00</u>	<u>\$25,000,000.00</u>	<u>\$200,000,000.00</u>
<b>Totals</b>	<b><u>\$630,000,000.00</u></b>	<b><u>\$170,000,000.00</u></b>	<b><u>\$800,000,000.00</u></b>

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ at \_\_\_\_\_, California.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Type or print name of Officer

\_\_\_\_\_  
Title of Officer

1/ Catalog of Federal Domestic Assistance (CFDA) and program title of each federally funded program.

2/ Columns 1 + 2 = Column 3.

## **Statement of Financial Condition (Report 20)**

The Statement of Financial Condition (Report 20) provides the balances of the assets, liabilities, and fund equity as of June 30. During the processing of the Pre-Closing Trial Balance (Report 7), the SCO will refer to Report 20 to obtain additional information that may help resolve any discrepancies.

**Service Revolving Fund (0666001)**

**Statement of Financial Condition - Report No. 20  
June 30, 20XX**

Account Number	Account Description	Total
<b>Assets:</b>		
<b>Cash</b>		
1110	General Cash	\$3,757,211.68
1130	Revolving Fund Cash	1,362,356.85
1140	Cash in State Treasury	91,332.87
1190	Cash on Hand	<u>125,801.16</u>
		\$5,336,702.56
<b>Accounts Receivable</b>		
1312	Accounts Receivable - Reimburse.	1,176,932.42
1315	Accounts Receivable - Dishonored Cks.	3,608.20
1319	Accounts Receivable - Other	8,477.14
1390.01312	Allowance for Uncollectible Accounts	(926,526.46)
1410.0001	Due from General Fund	65,021,144.17
1410.0002	Due from Property Acquisition Law	431,015.00
1410.0003	Due from Motor Vehicle Park	271,284.00
1410.0006	Due from Access for Handicapped	171,900.00
1410.0026	Due from Motor Vehicle Insurance	2,390,308.00
1410.0344	Due from S.S.B.L.P.F.	834,690.00
1410.0465	Due from Energy Resources	145,283.00
1410.0602	Due from Architecture Revolving	1,799,183.00
1410.0768	Due from Earthquake	100,650.00
1410.0961	Due from School Deferred Maintenance	10,493.00
1420.1234	Due from Other Appropriations within the same Fund	12,213,023.00
1510	Due from Other Governments	1,185,784.00
1600.01315	Provision for Deferred Receivable - Dishonored Checks	(3,608.20)
1600.01319	Provision for Deferred Receivable - Other	(8,477.14)
1710	Expense Advance	85,809.98
1720	Other Prepaid Expenses	383,197.22
1730.0602	Prepayments to A.R.F.	<u>6,059,548.83</u>
		91,353,719.16
<b>Inventory</b>		
1900	Inventory	<u>15,413,905.11</u>
		15,413,905.11
<b>Capital Assets</b>		
2341	Equipment	127,508,242.53
2349	Accumulated Depreciation - Equipment	(70,633,026.84)
2410	Intangible Assets	2,229,107.29
2490	Accumulated Amortization	<u>(1,626,346.14)</u>
		<u>57,477,976.84</u>
	<b>Total Assets</b>	<b>\$169,582,303.67</b>
<b>Liabilities &amp; Fund Equity:</b>		
<b>Current Liabilities</b>		
3010	Accounts Payable	(\$16,190,423.17)
3020	Claims Filed	(3,480,511.97)
3114.0001	Due to Other Funds - General Fund	(3,020,410.85)
3115.1234	Due to Other Appropriation in Fund	(7,213,023.00)
3120	Prepayments from Other Funds	(70,833,000.00)
3210	Due to Other Governments	(10,531.00)
3510	Deposits	(1,795,691.70)
3730	Uncleared Collections	<u>(66,276.05)</u>
		(\$102,609,867.74)
<b>Long Term Liabilities</b>		
4210	Installment Contracts Payable	<u>(17,367,054.99)</u>
		(17,367,054.99)
<b>Fund Equity</b>		
5330.0602	Reserve for Prepaid Items - A.R.F.	(6,059,548.83)
5540	Retained Earnings	<u>(43,545,832.11)</u>
		<u>(49,605,380.94)</u>
	<b>Total Liabilities and Fund Equity</b>	<b>(\$169,582,303.67)</b>

## General Obligation Bond Funds

Bond Funds are used to record the proceeds from the sale of general obligation bonds and the expenditure for acquisition of property, capital outlay, or loans to local departments for the same purpose.

The year-end reports required for general obligation bond funds are the same as those required for governmental cost funds. Refer to the Governmental Cost Funds section of this Manual for instructions.

### Specific Instructions

- Provide the required year-end reports for each subfund.
- Accrue Surplus Money Investment Fund (SMIF) Interest as a debit to GL 1410.0681 and a credit to receipt account 0250300.
- Do not accrue any intra-fund transfers; a transfer between subfunds of the same fund must:
  - Debit to Due From Other Funds; GL 1410.XXXX and
  - Credit to receipt account 03XXXXXX on Report 1.
    - Use Due To/From Other Appropriations; GL 1420.XXXX and 3115.XXXX (use the org. code as the four-digit subsidiary number), respectively.
- The Pooled Money Investment Account (PMIA) loan accrual letter is mailed out by the SCO no later than July 30<sup>th</sup>. Per the data provided in the letter, accrue the PMIA interest expense pertaining to the loan. Accrue the PMIA interest expense as a debit to the appropriate disbursement account and a credit to GL 3114.0942, Due to Special Deposit Fund. If you have any questions regarding the PMIA letter, email Budgetary/Legal at: **BLFinRep@sco.ca.gov**.

## **Special Deposit Fund - Fund 0942**

The Special Deposit Fund (0942) is used as a depository for moneys collected by the State, for which no special fund has been created. Money remaining unclaimed and held by a department when the claimant cannot be found is also deposited in the fund and remains for two years. If not claimed within the two-year period, the money reverts to the General Fund, except for unclaimed warrants deposited, which will revert to the fund against which the warrant was drawn.

Following are the year-end reports required for the Special Deposit Fund:

- Report 3 – Adjustments to Controller's Accounts
- Report 7 – Pre-Closing Trial Balance
- Report 8 – Post-Closing Trial Balance
- Report 9 – Analysis of Change in Fund Balance
- Report 20 – Statement of Financial Condition Special Deposit Fund.

### **General Instructions**

- The filing date for the Special Deposit Fund year-end financial reports is August 20, 2015.
- For each subfund, prepare separate Reports 9 and 20; however, **Reports 7 and 8 must be consolidated and submitted.** Year-end reports are required even if the account has a zero fund balance but had a beginning fund balance or activity during the fiscal year.
- The beginning fund balance on the current year's Report 7 must equal the ending fund balance on the prior year's Report 8.
- Cash in State Treasury must equal the Controller's Fund Reconciliation Report of GL 1140. If an adjustment is necessary, provide a descriptive footnote at the bottom of the Adjustments to Controller's Accounts (Report 3).
- June 30 accounts not yet approved by the DOF are considered Non-Treasury Trust Funds until a department has obtained approval.

## **Non-Treasury Trust Fund - Fund 0990**

The Non-Treasury Trust Fund (0990) is used to record money or property in the custody of a state department that is not required to be deposited in a fund in the State Treasury.

Cash receipts are accounted for in GL 1120, Agency Trust Fund Cash.

Securities may be held by the department or transmitted to the State Treasurer for safekeeping and accounted for in GL 2720, Securities and Other Property Held in Trust.

**Note:** Trust cash in a department account pending remittance to a fund in the State Treasury is recorded in GL 1110, General Cash.

The following year-end reports should be submitted for NTT funds; these are the same reports submitted for nongovernmental cost funds:

- Report 7 – Pre-Closing Trial Balance
- Report 8 – Post-Closing Trial Balance
- Report 9 – Analysis of Change in Fund Balance
- Report 20 – Statement of Financial Condition

### **General Instructions**

The instructions below are followed by illustrations of completed Reports 7, 8, and 9. Included in the year-end reports should be the type of trust fund, a contact person, and a phone number. Refer to SAM section 7620 for more information about GL 1120, Agency Trust Fund Cash.

- The year-end reports required to be submitted for a NTT Fund must be submitted under Fund number 0990 - Fiduciary Funds Outside the centralized Treasury System.
- Include the GL account numbers on all reports. Account titles alone are not sufficient.
- Prepare separate year-end reports according to the type of trust fund money held. There are four types, as follows:
  - **Guaranty Deposits:** Deposits held by several state departments to comply with various legal requirements. For instance, negotiable securities held by the State Treasurer, bearer bonds, stocks, or certificates of deposits not assigned to the department. Also included are fees, bids, and security deposits.

- **Private Trusts:** The state department acts as a custodian of a private individual's assets. A Private Trust may be money, securities, or sundry personal property held by a department for the benefit of specific individuals, such as inmates or students.
- **Special Purpose Trusts:** Individuals, corporations, public departments, etc., may make gifts or grants to the State for specific purposes such as conducting research or providing money for scholarships.
- **Departmental Trusts:** The following funds outside the State Treasury are authorized by the DOF:

State Veterans' Home Post Fund  
Agriculture Marketing Act Trust  
Department of Employment Trust Funds

Submit **Material Variance Form (MVF)** if there is activity on report 9. Fill in the PY and CY amounts on MVF using the PY and CY Report 9s.

The total additions amount (sum of operating income, receipts from depositors, and other additions) on Report 9 represents the revenue amount on the MVF.

The total deductions amount (sum of Operating Expenditures, Payments to and for Depositors, Securities Released for Individual, Prior Year Surplus Adjustment, and Other deductions) on Report 9 represents the expenditure amount on the MVF.

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)**

**NON-TREASURY TRUST FUND (0990)**

**Pre-Closing Trial Balance – Report 7  
June 30, XX**

<u>GLAN</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities and Other Property Held in Trust	158,805.00	
3510	Deposits		706,376.67
	Total	<u>706,376.67</u>	<u>706,376.67</u>

\_\_\_\_\_  
Name of Contact Person (Type or Print)

\_\_\_\_\_  
Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this \_\_\_\_ day of \_\_\_\_\_, 20xx at \_\_\_\_\_, California.

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Type or print name of Officer

\_\_\_\_\_  
Title of Officer

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)  
NON-TREASURY TRUST FUND (0990)**

**Post-Closing Trial Balance – Report 8  
June 30, 20XX**

GLAN	Account Title	Debit	Credit
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities and Other Property Held in Trust	158,805.00	
3510	Deposits		706,376.67
	Total	706,376.67	706,376.67

Name of Contact Person (Type or Print)	Telephone Number
--	------------------

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this \_\_\_\_ day of \_\_\_\_\_, 20xx at \_\_\_\_\_, California

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Type or print name of Officer

\_\_\_\_\_  
Title of Officer

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)  
NON-TREASURY TRUST FUND (0990)**

**Analysis of Change in Fund Balance – Report 9  
June 30, 20XX**

<u>GLAN</u>	<u>Account Title</u>	<u>Total</u>
	Fund Balance, June 30, 20XX	\$ 640,532.36
	Additions:	
8800	Operating Income	\$ 53,600.00
8067	Receipts from Depositors	54,000.00
8090	Other Additions	236.31
	Total Additions	107,836.31
	Deductions:	
9000	Operating Expenditures	\$ 14,300.00
9033	Payments to and for Depositors	2,456.00
9085	Securities Released for Individuals	25,000.00
9897	Prior Year Surplus Adjustment	236.00
	Total Deductions	41,992.00
	Fund Balance, June 30, 20XX	<u>\$ 706,376.67</u>

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# **Special Reports**

## Special Reports

### Report 14 - Report of Accounts Outside the State Treasury

The Report of Accounts Outside the State Treasury (STD. 445) provides the account title and number, account type, purpose, name and address of depository and branch, authority, and book balance at June 30 for any account in which state money is deposited, as defined by GC section 16305.2 and SAM section 7975, and which is not in the centralized State Treasury.

#### General Instructions

- Submit original Report 14, STD. 445 (REV. 12/2013), to the STO by August 20, 2015.
- Submit two copies to the SCO by August 20, 2015 – One Excel version sent to [BLFinrep@sco.ca.gov](mailto:BLFinrep@sco.ca.gov) and one hardcopy sent with the year-end reports.
- The blank Excel form is available on the SCO website at [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)
- If the department has an account, identify the bank account(s) and the corresponding June 30 book balance(s).
- If the department does not have accounts outside the centralized State Treasury System, indicate “No accounts outside the State Treasury” on the Certification Letter **and** on the Report 14.

#### Specific Instructions

- Enter the tax identification number(s) under which the accounts were or could be established.
- Each Report 14 should have the department name and four-digit organization number.
- Take the account title and number from the bank statement.
- The type of account should be a checking, savings, or certificate of deposit. Imprest account, liquidity account, or adjustment account are not valid account types. Electronic Funds Transfer (EFT) or zero balance accounts (ZBA) should be identified in this column. The use of acronyms is acceptable **if** the account type is also spelled out.
- The purpose must be consistent with the DOF approval or as authorized by law. If the purpose of the account has changed and has not been approved by the DOF, a new request for approval must be submitted to the DOF, FSCU.
- The authority for the account should contain the date of the DOF’s approval or citation if authorized by statute. Contact [fscuhotline@dof.ca.gov](mailto:fscuhotline@dof.ca.gov) or at (916) 324-0385 for assistance obtaining this letter.

- Balance is the book balance at June 30. If the account has been closed during the fiscal year, the account should be included on the report and **the closing date should be specified**.

### **Report 14 - Report of Accounts Outside the State Treasury (cont.)**

- Indicate whether the account is collateralized or if collateral is not required (see footnotes (a) and (c) on the Report 14). Check only one box. Questions regarding collateral should be directed to the STO Collateral Management Section at (916)-653-2886.
- **A department head or designee who is at least one level above both legal and administrative functions must provide a signature** on the Report 14. The department head is the person responsible for the entire department. A designee is allowed to certify Report 14 only in the absence of the department head. Include his/her title (Director, Commissioner, elected official, etc.). Provide the phone number of the person who should be contacted to answer questions concerning this report.
- **New:** If the Report 14 must be revised, ensure that the revisions are clearly marked as such and are submitted to both the STO and the SCO.



## REPORT OF ACCOUNTS OUTSIDE THE STATE TREASURY

STATE OF CALIFORNIA - STATE TREASURER'S OFFICE  
REPORT OF ACCOUNTS OUTSIDE  
THE STATE TREASURY  
STD. 445 (REV. 9/2014)

### INSTRUCTIONS

This report will be required of all state agencies and departments to report state money that is outside of the State Treasury. If no account exists, submit report noted "No accounts outside State Treasury." Any account in which state money is deposited, as defined by Government Code 16305.2, and which is not in the centralized State Treasury system will be included in this report.

- (1) Account title and number appearing on bank/savings and loan/other depository statement.
- (2) State type of account (savings, checking, zero balance account, certificate of deposit, investment, etc.).
- (3) Brief description and purpose of account. Must be consistent with the purpose approved by Department of Finance or as authorized by law.
- (4) Name and address of depository and branch.
- (5) Cite Department of Finance approval and date or specific statutory authority.
- (6) Bank balance of account as of June 30. If the account was closed during the reporting period, include "n/a" and the date when the account was closed.
- (7) Indicate whether the account is collateralized or if collateral is not required. Check only one box (Yes, No, or Not Required)

## Report 18 - Statement of Changes in Capital Assets Group of Accounts

The Statement of Changes in Capital Assets Group of Accounts (Report 18) provides the SCO with information regarding the addition and deduction of capitalized assets (both tangible assets and intangible assets) during the fiscal year. This information is needed for the preparation of the *Comprehensive Annual Financial Report* (CAFR) in conformity with accounting principles generally accepted in the United States of America (GAAP).

Report 18 must be submitted for each fund, except for Fiduciary Funds.

A checklist of departments required to submit a Report 18 can be found on the SCO website.

Failure to submit a Report 18 will result in a disqualification for Excellence in Financial Reporting criteria.

The *Governmental Accounting Standard Board Statement No. 51 (GASB 51) - Accounting and Financial Reporting for Intangible Assets*, established uniform accounting and financial reporting requirements for intangible assets in FY 2009-10.

Budget Letter 10-13, issued by the DOF on June 18, 2010, provides specific information for implementing this policy on the capitalization of intangible assets for financial reports, as well as guidelines for retroactively reporting intangible assets that were not previously reported. The budget letter can be found at the following link: [http://www.dof.ca.gov/budgeting/budget\\_letters/](http://www.dof.ca.gov/budgeting/budget_letters/)

SAM sections 8615 and 8635 require capitalization of purchased intangible assets and internally generated intangible assets. Definitions and descriptions of intangible assets are included in SAM and GL accounts for various categories of intangible assets are included in the Uniform Code Manual (UCM). Departments are required to report their intangible assets using the lowest-level GL account(s) in the financial reports.

### General Instructions

- A separate Report 18 must be prepared for each fund within your department, except for Fiduciary funds. Additionally, capitalized assets of both Proprietary and Fiduciary fund types must be included in the fund reports. If there are no capitalized assets for that fund, note on the Certification Letter “no capitalized assets.”
- Departments are required to identify each Report 18 with the fund name, fund number, department name, and department number.
- The beginning balances must agree with the prior year’s ending balances except for restating the beginning balance for unreported or misclassified capital assets. If an adjustment to the beginning balance is made, provide a footnote at the bottom of Report 18 that includes the description and the amount of the adjustment.

- For rules on retroactively reporting intangible assets, refer to Budget Letter 10-13 at [http://www.dof.ca.gov/budgeting/budget\\_letters/](http://www.dof.ca.gov/budgeting/budget_letters/). If intangible assets were included in the Report 18 last year under a different asset account (e.g. intangible assets work in progress), reduce the beginning balance of the previously used account and add the amount to the beginning balance of the correct intangible asset account.
- The addition column should be used only for assets acquired or internally generated during current fiscal year.
- If there are any deductions equal to or greater than **\$1.0 million**, the following information should be provided in a footnote:
  - The nature of the deduction, i.e., sale, demolition, transfer, or other.
  - The date acquired and acquisition cost for each deduction reporting a sale, demolition, or transfer.
  - The fund name and number and the department name and number to which the capitalized asset was transferred, if transferred.
  - Include an explanation for the deduction if it represents an adjustment or other deduction.
- If you have any questions regarding this report, email [BLFinRep@sco.ca.gov](mailto:BLFinRep@sco.ca.gov)

An illustration of a completed Report 18 is shown on the following page.

**Governmental Accounting Advisory Board (1234)**  
**Statement of Changes in Capital Assets Group of Accounts – Report 18**  
**Fish and Game Preservation Fund (0200)**  
**June 30, 20XX**

	Balance	Additions	Deduction	Balance June 30, 20XX
<b>Tangible Assets</b>				
Land	\$52,000,000.00	\$ 7,000,000.00	\$ 19,000.00	\$ 58,981,000.00
Buildings	8,837,865.53	3,119,425.68	103,071.28	11,854,219.93
Improvements Other Than Buildings	15,894,735.67	2,091,766.79	3,500,000.00 <sup>1</sup>	14,486,502.46
Equipment	50,092,029.66	1,822,676.28	549,696.15	51,365,009.79
Construction Work in Progress	0.00	1,000,000.00	0.00	1,000,000.00
Infrastructure - Depreciable	500,000.00	2,000,000.00	0.00	2,500,000.00
<b>Intangible Assets</b>				
Computer Software - Amortizable	1,500,000.00 <sup>2</sup>	500,000.00	200,000.00	1,800,000.00
Land Use Rights - Amortizable	1,185,000.00 <sup>3</sup>	0.00	0.00	1,185,000.00
Land Use Rights - Non-Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks - Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks - Non- Amortizable	0.00	0.00	0.00	0.00
Other Intangible Assets - Amortizable (specify)	0.00	0.00	0.00	0.00
Other Intangible Assets - Non-Amortizable (specify)	0.00	0.00	0.00	0.00
Internally Generated Intangible Assets in Progress	2,000,000.00 <sup>4</sup>	800,000.00	0.00	2,800,000.00
	<u>\$132,009,630.86</u>	<u>\$18,333,868.75</u>	<u>\$4,371,767.43</u>	<u>\$145,971,732.18</u>

<sup>1</sup> Sale of Building acquired for \$2,000,000.00 on April 24, 1985. \$ 2,000,000.00  
 Building acquired by donation on December 20, 1990 with an  
 estimated worth of \$1,500,000.00. Transferred to the Department  
 of Parks and Recreation (3790), Fund (0392) . 1,500,000.00  
 \$ 3,500,000.00

<sup>2</sup> Restated beginning balance for previously unreported computer software

<sup>3</sup> Restated beginning balance for land use rights previously reported in GL 2410- Intangible Assets.

<sup>4</sup> Restated beginning balance for previously unreported application development costs for on ongoing computer software project.

## **Report 19 – Statement of Capital Assets Group of Accounts**

The Statement of Capital Assets Group of Accounts (Report 19) provides information on capitalized assets recorded in the Capital Assets Group of Accounts and assures the accuracy and completeness of a department's capitalized asset accounts on the year-end financial reports.

Report 19 includes the total of all capitalized assets (tangible and intangible assets) of a department, and provides the total capitalized assets for each fund.

Report 19 is a consolidation of all information from each Report 18 whereas individual Report 18 includes the amount of capitalized assets for one fund only.

A checklist of departments required to submit Report 19 can be found on the SCO website.

Failure to submit a Report 19 will result in a **disqualification for Excellence in Financial Reporting** criteria.

If you have any questions regarding this report, email [BLFinRep@sco.ca.gov](mailto:BLFinRep@sco.ca.gov).

An illustration of a completed Report 19 is shown on the following page.

**Governmental Accounting Advisory Board (1234)  
Statement of Capital Assets Group of Accounts – Report 19<sup>1</sup>  
June 30, 20XX**

	Debit	Credit
Tangible Assets:		
Land	\$ 60,689,360.74	
Buildings	14,787,829.61	
Improvements Other Than Buildings	24,451,411.99	
Equipment	61,738,541.69	
Construction Work in Progress	1,000,000.00	
Infrastructure – Depreciable	18,000,000.00	
Intangible Assets:		
Computer Software – Amortizable	8,200,000.00	
Land Use Rights – Amortizable	1,185,000.00	
Land Use Rights – Non-amortizable	0.00	
Patents, Copyrights, and Trademarks – Amortizable	0.00	
Patents, Copyrights, and Trademarks – Non-Amortizable	0.00	
Other Intangible Assets – Amortizable	0.00	
Other Intangible Assets – Non-Amortizable	0.00	
Internally Generated Intangible Assets in Progress	3,400,000.00	
Total General Capitalized Assets <sup>1</sup>	\$193,452,144.03	
Investment in General Capitalized Assets From: <sup>2</sup>		
General Fund (0001)		\$ 29,890,263.76
CA Environmental License Plate (0140)		5,704,506.37
Outer Continental Shelf Land Act (0164)		65,232.44
Delta Flood Project (0176)		295,105.64
Fish and Game Preservation (0200)		145,971,732.18
Fisheries Restoration Act (0202)		306,480.18
Fish and Wildlife Pollution (0207)		93,920.41
Public Resources Acct. – Cigarette/Tobacco Surtax (0235)		2,408,640.08
Oil Spill Prevention (0320)		5,689,730.75
Oil Spill Response Trust (0321)		85,169.23
California Wildlife and Coastal Park (0786)		65,523.82
Federal Trust Fund (0890)		2,875,839.17
Total Investment in General Capitalized Assets <sup>1</sup>		\$ 193,452,144.03

<sup>1</sup> General Capitalized Assets Account Group is self-balancing. Total Capitalized Assets must equal Total Investment in Capitalized Assets.

<sup>2</sup> Investment in Capitalized Assets is a credit account used to offset the reported Capitalized Assets. Investment indicates the source of the monies from which the Capitalized Assets are required.

Physical inventories of capitalized assets are made at least once every three years

Subsidiary capitalized assets records were in agreement with the GL control accounts as shown above.

## **Report 22 – Statement of Contingent Liabilities**

The Statement of Contingent Liabilities (Report 22) is used to report all contingent liabilities that have not been accrued by your department. A Report 22 is required for all funds, or if there are no contingent liabilities, indicate on the Certification Letter “no activity to report.”

Report 22 must include contingencies for federal audit exceptions, other audit exceptions, and litigation pending.

The criteria for determining when to accrue and disclose contingent liabilities and an illustration of a completed Report 22 are shown on the following pages.

**Criteria for Accruing and Disclosing Contingent Liabilities (for GAAP purposes only):**

<b>Likelihood of Occurrence</b>	<b>Timing of the Underlying Event</b>	<b>Materiality Levels (Criteria Amounts)</b>	<b>Policy</b>
Probable (likely)	Underlying event existed at balance sheet date	Greater than or equal to \$300 million	Accrue
		Less than \$300 million	Disclose
	Underlying event existed only after balance sheet date	Less than \$300 million	Do not accrue or disclose
		Greater than or equal to \$300 million	Disclose
Reasonably Possible (more than remote but less than probable)	Underlying event existed at or after balance sheet date	Less than \$300 million	Do not accrue or disclose
		Greater than or equal to \$300 million for retroactive losses	Disclose
		Less than \$1 billion per year for decrease in future revenues or increase in expenditures	Do not accrue or disclose
		Greater than or equal to \$1 billion per year for decrease in future revenues or increase in expenditures	Disclose
Remote	Underlying event existed at or after balance sheet date	Any amount	Do not accrue or disclose
Un-asserted Claim	Underlying event existed at or after balance sheet date	Any amount	Do not accrue or disclose

**Governmental Accounting Advisory Board (1234)**  
**Statement of Contingent Liabilities – Report 22**  
**Service Revolving Fund (0666001)**  
**June 30, 20XX**

Prepared by: \_\_\_\_\_

Telephone number: \_\_\_\_\_

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<b>Type of Contingent Liability</b>	<b>Reference Identification</b>	<b>Estimated Amount</b>	<b>Estimated Date of Payment</b>	<b>Comments</b>
Damage Claims	CA-LIT-91-013	690,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-217	300,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-015	10,000,000.00	01/13	Settlement Pending

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090)

Subscribed and executed this \_\_\_\_\_ day of \_\_\_\_\_ July \_\_\_\_\_, 20XX at \_\_\_\_\_ Sacramento \_\_\_\_\_, California

\_\_\_\_\_  
Signature of Officer

\_\_\_\_\_  
Type or print name of Officer

\_\_\_\_\_  
Title of Officer

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# **Supplemental Forms**

## Supplemental Forms

### Due To/From Other Funds/Appropriations Supplemental Form

#### Due To/From Other Funds

- The SCO will continue to require departments to identify the department involved in each Due To/From Other Fund transactions on the Due To/From Supplementary Information form. For each amount posted to GL accounts 1410.XXXX and 3114.XXXX, provide the four-digit org code and department name related to the accrual. See the example on page 125 of this Manual.
- Determine the **end fund/end organization** for the Due To/From on the Due To/From Supplementary Information Form. If the amount will be further transferred or expended to another state department or fund, the accrual and the supplementary information should reflect the ultimate (end) fund.
- If an interagency agreement exists, it should provide the ultimate fund information. If the ultimate fund cannot be determined, contact the other department(s) party to any agreement to ensure that the accrual Due To's and Due From's reconcile and that both departments are using the ultimate (end) fund.
- Indicate on the form if you have contacted the other department, but the amounts cannot be confirmed.
- Submit the supplemental form to the SCO along with the fund's year-end reports as follows:
  - **Governmental Cost Funds** – include the form with the Report 1, Report of Accruals to Controller's Accounts, and with Report 3, Adjustments to Controller's Accounts.
  - **Nongovernmental Cost Funds** – include the form with Report 7, Pre-closing Trial Balance. To avoid misclassification of accounts receivables (unless it is for a reverted appropriation that is recoded using General Ledger (GL) 1319, Accounts Receivable – Other), a receivable held by the state, federal, or local government, should be reported using GL 14XX or GL 15XX. Refer to SAM Chapter 10400 for a description of GL accounts.

#### Due To/From Other Appropriations

- GL 1420, Due From Other Appropriations and 3115, Due To Other Appropriations, require the four-digit org code as the subsidiary number for accruals, adjustments, and balances on Reports 1, 3, 7, and Subsidiaries on File. This requirement will assist our office with the reconciliation of the Due To and Due From GL accounts.

- Year-end report forms for non-automated reports have been updated to allow for the addition of the four-digit org code subsidiary number after the GL numbers for Due To/From Other Appropriations: 3115.XXXX and 1420.XXXX.
- To ensure that the Due To/From entries are reported correctly, departments must communicate and coordinate with each other to ensure that their respective entries reconcile.

Remember that the subsidiary four-digit org code should reflect the **end** organization. You do not need to report the org number if it is merely a flow-through to another org number. Also exclude the clearing account, as a pass-through fund, in the General Fund.

Following is an example of how a Due To/From Other Appropriations entry for a governmental cost fund should be reflected when the Due To/From is between two separate departments:

Type of transaction:

Correction of claim schedule 9456096, dated 5-1-20XX, paid by warrant number 08-211186:

DR	0001-4720-20XX-001-10-D	\$1,000.00
	CR 0001-1234-20XX-001-10-D	\$1,000.00

Reason for request:

The organization code referenced on the claim was 1234 but should have been org code 4720.

Organization 1234 would record their side of the entry as follows:

DR	1420.4720 ( <i>Due From</i> org 4720)	\$1,000.00
	CR 0001-1234-20XX-001-10-D	\$1,000.00

Organization 4720 would record their side of the entry as follows:

DR	0001-4720-20XX-001-10-D	\$1,000.00
	CR 3115.1234 ( <i>Due To</i> org 1234)	\$1,000.00

If your department is unable to report Due To/From Other Appropriations with the four-digit org code subsidiary via the CALSTARS automated system, then you must include the GL 1420 and 3115 with the four-digit subsidiary on the Supplementary Information form. If you submit manual reports, continue to include the subsidiary account information on your Reports 1, 3, 7, and subsidiaries on file.

The Due To/From Supplementary Information form is available in an Excel Format on the SCO website at [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html).

An example of this form is shown on the following page.

This form must be listed on the Certification Letter under the heading Supplemental Forms.

**REMINDER**

Submit **two copies** of the Due To/From Other Funds/Appropriations Supplementary Information forms to the SCO as follows:

- **Electronic file** to [BLFinRep@sco.ca.gov](mailto:BLFinRep@sco.ca.gov) using the Excel version available on the SCO website at [http://www.sco.ca.gov/ard\\_reporting\\_html](http://www.sco.ca.gov/ard_reporting_html) and
- **Hard copy** with your year-end reports.



## Material Variance Explanation Form

The Material Variance Explanation Form is used to identify and provide explanations for material variances between prior year (PY) and current year (CY) nominal account balances.

The Material Variance Explanation Form is required for each shared and non-shared fund submitting year-end financial reports to the SCO. The form must be listed on the Certification Letter under the heading of Supplemental Forms. The Material Variance Explanation Form is available on the SCO website: [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

Complete this form after you have prepared the fund's Report 7, Pre-Closing Trial Balance or CSTARG02; and Report 9, Analysis of Change in Fund Balance.

Material Variance Explanation Form is required to be submitted regardless of activities.

### Instructions:

- Using the PY and CY Report 7s or CSTARG02s, fill in the PY and CY amounts (yellow cells).
- Use the PY and CY report 9s to fill in the PY and CY amounts on the material variance form for **Non Treasury Trust Funds**. See more instructions in Non Treasury Trust section.
- The form will automatically calculate the amount and percentage of the variance.
- Based on the calculation, a message will appear, identifying whether or not the variance is material and whether it requires a variance explanation.
- If a variance explanation is **not** required, a form must be submitted, it need not contain an explanation.
- If a variance explanation is required, provide explanation for the applicable nominal account type(s) in as much detail as possible.
- If there is no amount to report, a form must be submitted with a note No Activity on it.
- Submit **one copy** of the form with the fund's year-end reports to the SCO.
- If there is no activity on both PY and CY on Report 7 or CSTARG02 and Report 9, state "No activity" in the explanation boxes and submit the form along with other reports.

### Material Variance Criteria:

1. CY Balance less PY Balance is equal to or greater than \$1,000,000.00; and
2. Percentage of variance (variance divided by PY balance) is equal to or greater than 10%.  
When either CY or PY balance is zero, variance percentage is inapplicable and no explanation is needed.

### Material Variance Explanations:

Explanations should answer the question "Why is there a variance?" If applicable, provide the specific legal citations, Government Code section, Budget Letter No., Executive Order No., etc.

Examples of **acceptable** variance explanations:

- Revenue (GL XXXX) increased due to a new revenue source per Government Code section XXXX.
- Expenditures (GL XXXX) decreased as a result of program XX budget cuts/lack of funding/increased federal reimbursements.
- Transfers In (GL XXXX) increased due to additional federal grants administered for the XX program.

Examples of **unacceptable** variance explanations:

- Revenues increased.
- Expenditures decreased due to increased encumbrances.
- Transfers-In increased due to federal grants.

An example of the Material Variance Explanation Form is presented on the following page.

**Material Variance Explanation Form**  
**Expenditures, Revenue, Transfers In, and Transfers Out**  
**June 30, 20XX**

Fund Number: 0001                      Contact Name: Bud G. Tary  
 Agency Code: 1234                      Contact Email: Bud.G.Tary@csbb.ca.gov

Fill in the prior year and current year amounts below for expenditures, revenue, transfers in, and transfers out. Use the amounts from Report 7 from prior and current years. Be sure to include any prior year revision amounts, if applicable.

An explanation is required if a variance amount equals or exceeds \$1 million AND the variance percentage equals or exceeds 10%. If a "YES" is indicated under "Explanation Required", input an explanation in the space provided. Submit this form to the SCO with the fund's year-end financial statements, even if all amounts are zero.

EXPENDITURES				
PY 2013-14	CY 2014-15	Variance Amount	Variance Percentage	Explanation Required?
\$ 8,000,000.00	\$ 10,000,000.00	\$ 2,000,000.00	25%	YES
Explanation: Expenditure under 0001-1234-2013-001-10 increased as a result of budget increase in program 10 over prior year's budget by \$2,000,000 per 2013-14 Budget Act, Ch. XX, Stat. 2013				

**Submit ONE copy of this form.**

REVENUE				
PY 2013-14	CY 2014-15	Variance Amount	Variance Percentage	Explanation Required?
\$ 9,500,000.00	\$ 10,000,000.00	\$ 500,000.00	5%	NO
Explanation:				

TRANSFERS IN				
PY 2013-14	CY 2014-15	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ -	\$ -	0%	NO
Explanation:				

TRANSFERS OUT				
PY 2013-14	CY 2014-15	Variance Amount	Variance Percentage	Explanation Required?
\$ 500,000.00	\$ -	\$ (500,000.00)	N/A - CY is zero	NO
Explanation:				

# Checklists

## Year-End Reports Checklist

The Year-End Reports Checklist is for use by departments to ensure that the year-end reports are accurate and complete, and that they comply with instructions set forth in this Manual.

### **Reminder: Reports submitted should not contain any staples.**

- \_\_\_\_\_ 1. Department name, org code, fund name, and fund number appear on **all** reports.
- \_\_\_\_\_ 2. Reports have been prepared for all funds that had activity during the reporting year and/or balances on June 30.
- \_\_\_\_\_ 3. Department obtained prior approval from the State Controller's Office (SCO) to use computer-generated year-end reports.
- \_\_\_\_\_ 4. Reports for Bond Funds and Special Deposit Funds have been prepared for **each subfund**. For funds with multiple subfunds, include a consolidated report.
- \_\_\_\_\_ 5. Reports have been prepared for Non-Treasury Trust (NTT) Funds, Fund number 0990 (i.e., money or property held in trust by a state department that is not required to be deposited in a fund in the State Treasury).
- \_\_\_\_\_ 6. "SCO Use Only" areas on Reports 1, 3, and 5 are left blank, unless something is pre-printed in that area.

### **Certification Letter:**

- \_\_\_\_\_ 1. Only one fund is listed on the Certification Letter, with the exception of fund with multiple subfunds.
- \_\_\_\_\_ 2. Department name and org code (both old and new org code if part of GRP2) appear on the letter, as well as the **mailing address, email addresses, names of the department Director and Chief of Accounting**.
- \_\_\_\_\_ 3. Include fund name and number.
- \_\_\_\_\_ 4. All required reports are listed for each fund. If there are no amounts to report, include the statement No Activity to Report next to the appropriate report name.
- \_\_\_\_\_ 5. Contact name, phone number, and email address are listed for each fund.
- \_\_\_\_\_ 6. Included on the letter is a statement certifying the listed reports as true and correct and signed by the officer responsible for fiscal administration. See SAM section 7951 for an example of the certification statement.

- \_\_\_\_\_ 7. On each fund Certification Letter, identify the fund that will include your department's Report of Accounts Outside the State Treasury – Report 14 (Form 445 – Revised 12/2013) and your department's Statement of Capital Assets (Report 19) with its fund reports.

**Report of Accruals to Controller's Accounts (Report 1):**

- \_\_\_\_\_ 1. Department name, four-digit org code, fund name, and fund number appear on every page.
- \_\_\_\_\_ 2. All amounts appear in dollars and cents and without dollar signs.
- \_\_\_\_\_ 3. Amount and Encumbrances columns are left blank for accounts without accruals and encumbrances.
- \_\_\_\_\_ 4. Total debits equal total credits for accruals and encumbrances.
- \_\_\_\_\_ 5. Credit amounts appear without brackets or minus signs.
- \_\_\_\_\_ 6. GL account numbers are the lowest level from the Uniform Codes Manual.
- \_\_\_\_\_ 7. For accruals to Due from Other Funds (GL 1410) and Due to Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format your supplementary Due To/From org code information using the example on page 125 of this Manual.
- \_\_\_\_\_ 8. If you have short-term loan accruals for Inter-fund Loans Receivable (GL 2170) and Inter-fund Loans Payable (GL 4050), subsidiary numbers are shown reflecting the fund number of the other fund involved.
- \_\_\_\_\_ 9. The unencumbered amount Due from Other Funds (GL 1410.XXXX) agrees with the unencumbered amount Due to Other Funds (GL 3114.XXXX) in the related fund. Use format example on page 125 of this Manual. Submit **two copies** of the Due To/From Other Funds/Appropriations Supplementary Information form to the SCO – one hardcopy and one electronic copy (**must** be in **Excel**).
- \_\_\_\_\_ 10. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number.
- \_\_\_\_\_ 11. A **four-digit org code** subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).

- \_\_\_\_\_ 12. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the GL account number for the related receivable preceded by a zero.
- \_\_\_\_\_ 13. Prepayments to the Service Revolving Fund (GL 1730.0666) are not included on the report.
- \_\_\_\_\_ 14. Encumbrance amount to a nominal account is equal to or less than the accrual amount. Debit and credit signs for encumbrances are the same as the related accruals.
- \_\_\_\_\_ 15. Encumbrances reported for assets and liabilities do not exceed the related accruals.
- \_\_\_\_\_ 16. Reporting Encumbrance is followed the criteria beginning on page 47 of this Manual.
- \_\_\_\_\_ 17. For encumbrances funded by reimbursements, encumbrances are reported for the reimbursement account and corresponding receivable account.
- \_\_\_\_\_ 18. Accruals are not reported for Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350).
- \_\_\_\_\_ 19. Accruals and/or encumbrances to accounts not preprinted on Form 571C are posted to Form 571D.
- \_\_\_\_\_ 20. No expenditure or transfer accruals are reported for reverted appropriations that will not be revived by the SCO in the current year.
- \_\_\_\_\_ 21. Accruals for abatements or reimbursements to reverted appropriations are credited to Refunds to Reverted Appropriations. The fiscal year should be the prior year.
- \_\_\_\_\_ 22. Accruals on Forms 571A, 571B, and 571A/B agree with column totals on Report 2. (The Deferred Credits column may contain accruals for more than one GL account, which should be included on these forms as separate entries.)
- \_\_\_\_\_ 23. Accruals on Forms 571A, 571B, and 571A/B agree with the GL account balances on the Pre-Closing Trial Balance (Report 7) and the Post-Closing Trial Balance (Report 8), excluding the nominal accounts and Fund Balance-Clearing or amounts already on the Controller's balances.
- \_\_\_\_\_ 24. Accruals on Forms 571C and 571D agree with the Net Total Accruals per Agency column on Report 2, but with the opposite signs.
- \_\_\_\_\_ 25. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the accrual amount does not include amounts previously remitted to the SCO; the amount reported should include only the amount remaining in General Cash as of June 30.

- \_\_\_\_\_ 26. Department General Cash (GL 1110) has a debit balance.
- \_\_\_\_\_ 27. GL account number agrees with account description.
- \_\_\_\_\_ 28. Surplus Money Investment Fund (SMIF) quarterly or semi-annual interest earned as of June 30 is accrued.
- \_\_\_\_\_ 29. For every amount, there is a D or C listed in the D/C column.
- \_\_\_\_\_ 30. No accruals are posted for the following: Categories 94, 95, 96, 98, and 99.
- \_\_\_\_\_ 31. Program 99 has a zero balance.

**Accrual Worksheet (Report 2):**

- \_\_\_\_\_ 1. Column totals agree with the GL account balances on Report 7 and 8, excluding the nominal accounts and Fund Balance – Clearing. (The Deferred Credits column on Report 2 may contain accruals for more than one GL account.)
- \_\_\_\_\_ 2. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the amount reported does not include the amounts previously remitted to the SCO; the amount reported should include only the amount in General Cash.
- \_\_\_\_\_ 3. Prepayments to Other Funds (GL 1730) and Advances to Other Funds (GL 2120) are included on Report 2.
- \_\_\_\_\_ 4. Provision of Deferred Receivables, Revenue Collected in Advance, Reimbursements Collected in Advance, Uncleared Collections, and the Revolving Fund Adjustment lines should net to zero in the Net Total Accruals per Agency column.
- \_\_\_\_\_ 5. For shared funds of non-administrating departments, the grand total agrees with Fund Balance Clearing GL 5570 (opposite sign) on Report 8.
- \_\_\_\_\_ 6. The grand total agrees with the total Apply Current Year – Accruals on the Report 15 – Reconciliation of Agency Accounts with Transactions per State Controller.

**Adjustments to Controller's Accounts (Report 3):**

- \_\_\_\_\_ 1. For governmental cost funds, the amounts reported should be the adjustments submitted to the SCO after July 1 that are needed to correct the account balances on the SCO cash basis records as of June 30.

- \_\_\_\_\_ 2. For nongovernmental cost funds, the amounts reported should be the adjustments to the following GL accounts that are needed to bring the department's balances into agreement with the SCO cash basis records as of June 30: Cash in State Treasury (GL 1140), Deposits in Surplus Money Investment Fund (GL 1210), Prepayments to Other Funds (GL 1730), and Advances to Other Funds (GL 2120).
- \_\_\_\_\_ 3. Department name, four-digit org code, fund name, and fund number appear on every page.
- \_\_\_\_\_ 4. All amounts appear in dollars and cents and without dollar signs.
- \_\_\_\_\_ 5. Amount column is left blank for accounts without adjustments.
- \_\_\_\_\_ 6. Total debits equal total credits.
- \_\_\_\_\_ 7. Credit amounts appear without brackets or minus signs.
- \_\_\_\_\_ 8. GL account numbers are the lowest level from the Uniform Codes Manual.
- \_\_\_\_\_ 9. For adjustments to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format the org code information on the Due To/From Other Funds/Appropriations form using the example on page 125 of this Manual.
- \_\_\_\_\_ 10. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- \_\_\_\_\_ 11. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the GL account number for the related receivable preceded by a zero.
- \_\_\_\_\_ 12. For governmental cost funds only, adjustments to accounts not preprinted on Form 576B are posted to Form 571D.
- \_\_\_\_\_ 13. For governmental cost funds only, no adjustments are reported for reverted appropriations that will not be revived by the SCO in the current year.
- \_\_\_\_\_ 14. Attachments explaining the adjustments (e.g., copy of the SCO Transaction Request form) accompany Report 3, with each adjustment on Report 3 cross-referenced to the appropriate attachment.
- \_\_\_\_\_ 15. Adjustment amount(s) on Form 576-B agrees with the adjustment amount(s) reported on Reports 5 and 15 and the supporting attachments.
- \_\_\_\_\_ 16. Font size for accounts and amounts is no smaller than 10.

### Revisions to Year-End Reports:

- \_\_\_\_\_ 1. This report contains the revisions needed to correct the amounts previously submitted on Reports 1, 3 (GC Funds) or 7 (NGC Funds). Do not submit another complete set. Submit only the reports affected by the change(s). The amount on the revision form should only be the **difference** between the original amount reported and the correct amount.
- \_\_\_\_\_ 2. The amounts on this report, plus the amounts on Reports 1 and 3 that were originally submitted to the SCO, agree with the department's revised balances.
- \_\_\_\_\_ 3. Department name, four-digit org code, fund name, and fund number appear on every page.
- \_\_\_\_\_ 4. All amounts appear in dollars and cents and without dollar signs.
- \_\_\_\_\_ 5. Total debits equal total credits.
- \_\_\_\_\_ 6. Credit amounts appear without brackets or minus signs.
- \_\_\_\_\_ 7. GL account numbers are the lowest level from the Uniform Codes Manual.
- \_\_\_\_\_ 8. For revisions to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format your Due To/From Other Funds/Appropriation Form using the example on page 125 of this Manual.
- \_\_\_\_\_ 9. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- \_\_\_\_\_ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the GL account number for the related receivable preceded by a zero.
- \_\_\_\_\_ 11. Attachments explaining the revisions accompany this report with each adjustment on the report cross-referenced to the appropriate attachment.
- \_\_\_\_\_ 12. If revisions must be submitted after the due date, approval from the SCO has been obtained.
- \_\_\_\_\_ 13. Only material amounts per SAM section 7981 are submitted as revisions.

**Final Statement of Revenue (Report 4):**

- \_\_\_\_\_ 1. Only current year revenue is reported.
- \_\_\_\_\_ 2. Revenues agree with the current year revenues on Report 15.
- \_\_\_\_\_ 3. Total revenue agrees with current year revenue (GL 8000) on Report 7 (not applicable to CALSTARS departments, as both current year and prior year, revenues are combined in GL 8000).
- \_\_\_\_\_ 4. Accruals agree with Report 1, Forms 571C and 571D.
- \_\_\_\_\_ 5. Adjustments to Controller's Accounts agree with Report 3, Form 576B.

**Final Reconciliation of Controller's Accounts With Final Budget Report/Agency Records (Report 5):**

- \_\_\_\_\_ 1. Preprinted amounts are not altered.
- \_\_\_\_\_ 2. If the department does not agree with any preprinted amount, a footnote is provided to indicate the amount per the department's records.
- \_\_\_\_\_ 3. All amounts appear in dollars and cents.
- \_\_\_\_\_ 4. Adjustments to Controller's accounts agree with Report 3, Form 576B.
- \_\_\_\_\_ 5. Accruals agree with Report 1, Forms 571C and 571D.
- \_\_\_\_\_ 6. Adjustment to Controller's accounts and accruals are posted to both the expenditure column and the appropriation balance column.
- \_\_\_\_\_ 7. Executive Orders and/or Budget Revisions approved by the Department of Finance by June 30 but not yet recorded on the Controller's records are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. See number 9 below.
- \_\_\_\_\_ 8. Allocation orders not yet recorded on the Controller's records as of June 30 are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. See number 9 below.
- \_\_\_\_\_ 9. **Include support documentation** for amounts reported as increase/decrease on the Pending Budget Revision, Allocation Order, or Executive Order line of the Final Reconciliation with Controller's Accounts with the Final Budget Report (Report 5), in the form of a copy of an Executive Order, allocation order, or Budget Revision.
- \_\_\_\_\_ 10. Expenditures agree with the corresponding expenditures on Report 15.

- \_\_\_\_\_ 11. Total appropriation balance is zero or a credit amount.
- \_\_\_\_\_ 12. For CALSTARS departments, expenditure totals and appropriation balances agree with corresponding totals on Report 6 (reverting year appropriations = zero).

**Pre-Closing Trial Balance (Report 7):**

- \_\_\_\_\_ 1. All amounts appear in dollars and cents and without dollar signs.
- \_\_\_\_\_ 2. Amount column is left blank for accounts without amounts.
- \_\_\_\_\_ 3. Use "GLAN" as the column heading for the GL account numbers. See page 71 of this Manual for an example.
- \_\_\_\_\_ 4. Total debits equal total credits.
- \_\_\_\_\_ 5. Credit amounts appear without brackets or minus signs.
- \_\_\_\_\_ 6. GL account numbers are the lowest level from the Uniform Codes Manual.
- \_\_\_\_\_ 7. For Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. CALSTARS departments must attach Report GO2, Subsidiaries on File. Format your Due To/From Other Funds/Appropriations Supplementary Information Form using the example on page 125 of this Manual.
- \_\_\_\_\_ 8. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number. CALSTARS departments must attach Report GO2, Subsidiaries on File.
- \_\_\_\_\_ 9. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- \_\_\_\_\_ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the GL account number for the related receivable preceded by a zero. CALSTARS departments must attach Report GO2, Subsidiaries on File.
- \_\_\_\_\_ 11. Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350) are not shown on this report.
- \_\_\_\_\_ 12. For non-shared funds, Cash in State Treasury (GL 1140) and Deposits in SMIF (GL 1210) should be a debit balance and agree with that of the SCO as of June 30. If a credit balance, a footnote is provided with an explanation.
- \_\_\_\_\_ 13. A footnote is provided explaining the terms of any loan/interest payment(s) to be repaid within the year.

- \_\_\_\_\_ 14. A footnote is provided to explain abnormal GL account balances.
- \_\_\_\_\_ 15. Liabilities for Deposit (GL 3500) should equal zero or have a credit balance.
- \_\_\_\_\_ 16. Beginning Fund Balance (GL 5530) on the current year Report 7 equals the ending Fund Balance (GL 5530) as reported on the prior-year Report 8.
- \_\_\_\_\_ 17. A footnote is provided to explain abnormal balances for all real and nominal accounts.

**Special Instructions for the Federal Trust Fund ONLY:**

- \_\_\_\_\_ 1. Due From Federal Government (GL 1510) is used only in the Federal Trust Fund, or any other fund in which federal monies are directly deposited.
- \_\_\_\_\_ 2. Revenue should equal expenditures; inflows must equal outflows. **All nominal accounts net to zero.**
- \_\_\_\_\_ 3. Fund Balance-Unappropriated (GL 5530) must be zero, unless money is being returned to the federal government in the upcoming fiscal year.
- \_\_\_\_\_ 4. A credit balance in GL 5530 is explained in a footnote.
- \_\_\_\_\_ 5. A debit balance in GL 5530 is an overdraft that must be corrected prior to submitting reports.
- \_\_\_\_\_ 6. Cash in State Treasury (GL 1140) must equal total of appropriation control "C" accounts and grant account (1944) "C" accounts.

**Post-Closing Trial Balance (Report 8):**

- \_\_\_\_\_ 1. Asset and liability amounts agree with Report 7.
- \_\_\_\_\_ 2. For non-shared funds, Fund Balance-Unappropriated (GL 5530) has a credit balance or zero balance.
- \_\_\_\_\_ 3. An explanation is provided for any deficit (debit) Fund Balance-Unappropriated (GL 5530).

**Analysis of Change in Fund Balance (Report 9):**

- \_\_\_\_\_ 1. The beginning fund balance agrees with the ending fund balance from the prior-year Report 9 (except for CALSTARS shared funds).
- \_\_\_\_\_ 2. A footnote is provided to explain adjustments that changed the previous year's ending fund balance.

- \_\_\_\_\_ 3. Receipts and disbursements agree with Report 7.
- \_\_\_\_\_ 4. The ending fund balance agrees with the fund balance (opposite sign) on Report 8.
- \_\_\_\_\_ 5. The fund balance for the Federal Trust Fund is zero.

**Report of Accounts Outside the Treasury (Report 14):**

- \_\_\_\_\_ 1. Only one report has been prepared for the department and **two copies sent to the SCO** – one Excel version sent electronically and one hard copy sent with the year-end reports. **Indicate on each certification letter which fund's set of reports will include the Report 14 for your department.** Use the latest version of the report revised in December 2013.
- \_\_\_\_\_ 2. Department name and four-digit organization code is included on the report.
- \_\_\_\_\_ 3. If there are no accounts outside the State Treasury, indicate on the Report 14 "No Accounts Outside the State Treasury" and "No Activity to Report" on the Certification Letter. Include accounts closed during the fiscal year and specify the date of closure. **Must** be signed by the department head or designee.

**Reconciliation of Agency Accounts With Transactions Per State Controller or designee (Report 15)**

- \_\_\_\_\_ 1. All amounts appear in dollars and cents.
- \_\_\_\_\_ 2. Amounts in the Transactions per Controller column agree with the balances on the Controller's records as of June 30.
- \_\_\_\_\_ 3. Amounts reflected in the Reverse Prior Year Accruals and Reverse Prior Year Adjustments to Controller's Accounts columns agree with the amounts reflected in the Apply Current Year Accruals and Apply Current Year Adjustments to Controller's Accounts columns, respectively, on the previous year's Report 15, including revision amounts submitted for the prior year.
- \_\_\_\_\_ 4. Amounts reflected in the Reverse Prior Year Adjustment Made by SCO agree with the amounts in the SCO's Prior Year Accrual Summary report, but with the opposite signs.
- \_\_\_\_\_ 5. Amounts reflected in the Apply Current Year Accruals column agree with the accruals on Report 2, but with the opposite signs.
- \_\_\_\_\_ 6. Amounts reflected in the Apply Current Year Adjustments to Controller's Accounts column agree with the adjustments on Report 3.
- \_\_\_\_\_ 7. Total of the left side of the report (Column G) agrees with the total of the Transactions for Agency Accounts columns on the right side of the report.

- \_\_\_\_\_ 8. Totals in the Transactions for Agency Accounts columns agree with the nominal account balances in Report 7.
- \_\_\_\_\_ 9. For shared funds, total of the Apply Current Year Accruals column agrees with the Fund Balance – Clearing (GL 5570) amount on Report 8 and the grand total on Report 2, but with the opposite sign.

**Statement of Changes in Capital Assets Group of Accounts (Report 18):**

- \_\_\_\_\_ 1. A separate report has been prepared for each fund, except for proprietary and fiduciary funds that were acquired with non-General Fund money, (see sample Certification Letters on pages 25-29 of this Manual). Check the SAM for updates on the new reporting requirements for intangible assets as prescribed by GASB 51.
- \_\_\_\_\_ 2. Beginning balances agree with the previous year's ending balances.
- \_\_\_\_\_ 3. A footnote is provided if an adjustment to the beginning balance is needed.
- \_\_\_\_\_ 4. Ending balances are debit amounts.

**Statement of Capital Assets Group of Accounts (Report 19):**

- \_\_\_\_\_ 1. Total of all capital assets of the department is reflected in the report.
- \_\_\_\_\_ 2. Ending balance agrees with the total ending balances on all Report 18s. Check the SAM sections 8615 and 8635 for the reporting requirements for intangible assets as prescribed by GASB 51.
- \_\_\_\_\_ 3. Indicate on **each** certification letter which fund's set of year-end reports will include the Report 19 for your department.

**Statement of Financial Condition (Report 20):**

- \_\_\_\_\_ 1. Amounts agree with Report 8.

**Statement of Contingent Liabilities (Report 22):**

- \_\_\_\_\_ 1. Amounts on this report are not reflected in any GL account.
- \_\_\_\_\_ 2. Report does not include fiscal year, appropriation, or funding information.

## Checklists for Open House:

At the end of the reporting cycle, the State Controller's Office (SCO) compiles and prepares four criteria checklist/worksheets that are posted on its website. These checklists are available for the State departments to view and assess how they perform on their Budgetary/Legal year-end financial statements. The only criterion pertaining to GAAP is whether or not the GAAP-related adjustments and/or audit reports are received by the due date.

1. Financial Reporting Criteria Checklist
2. Expenditure Criteria Worksheet
3. Revenue Criteria Worksheet
4. Governor's Budget Criteria Worksheet

### • Financial Reporting Criteria Checklist

The Financial Reporting Criteria Checklist is a fundamental high-level checklist that the SCO fiscal analysts use when reviewing the year-end financial statements. One checklist is prepared for one particular fund and org code. This checklist is used to determine whether or not a fund meets the requirements for financial reporting. Any 'No' answer to the checklist indicates disqualification. Each criterion most likely is very self-explanatory, except criteria #9 to #11 which will be explained further in this section.

#### **Budgetary/Legal Basis Reporting Criteria:**

##### Due Dates

- Department year-end reports must be received by the due dates.
- Revisions to reports must be received by the due date.

##### Certification Letter

- A Certification Letter must be prepared for each fund in accordance with the instructions.
- All required reports must be submitted for the applicable fund type or listed on the Certification Letter as not applicable (no activity) if there is nothing to report.

##### Error Percentages Limit

- All reports must include proper account numbers and titles, as shown in the Uniform Codes Manual, with no more than a 2% error rate.
- Prior-year accruals for Governmental cost and bond funds must be within 10% of actual revenues and expenditures realized in the current year.
- For all funds, except the General Fund, the difference between the ending fund balance (less reserve for encumbrances and the deferred payroll adjustment made by SCO) and the fund balance provided by the DOF, as it appears on the Fund Condition Statement within the *Governor's Budget* released in January, cannot be more than \$100,000 and 3% variance, expressed as a percentage of the Governor's Budget fund balance.

### Reports 1 and 3

- Must not contain zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- Abnormal accruals must be explained with a footnote.

### Report 5

- All amounts reported as an increase/decrease on the Pending Budget Revision, Executive Order, and/or Allocation Order line on the Final Reconciliation with Controller's Accounts with Final Budget Report – Form 573 must include support documentation (i.e., a copy of the pending Budget Revision, Executive Order, or Allocation Order).

### Reports 7 and 8

- For nongovernmental cost funds, report must not contain zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- Abnormal balances must be explained with a footnote.

### Report 14

- Verify that the purpose and authority is consistent with the DOF approval or as authorized by law.
- Accounts closed during the reporting period must identify the closed date.
- Must include the signature of the **department head** or **designee** as certification.

### Material Variance Explanation

- Must be submitted with detailed explanation of material variances. Such explanations will assist with the SCO/DOF fund reconciliations.
- Revenues, Expenditures, and Transfer-In/Out for both PY & CY, must be completed prior to submission.

### Due To/From Other Funds/Appropriations

- Must be filled out correctly with amounts and accounts verified and reconciled with the other department(s) party to the transaction.

### **GAAP Basis Reporting Criteria:**

- GAAP adjustments and other information must be received by September 1, 2015.
- Draft reports audited by outside Certified Public Accounting firms must be received by October 1, 2015.
- Final reports audited by outside Certified Public Accounting firms must be received by October 15, 2015.
- Information must not have errors exceeding materiality level of **\$1.0 million**.

**Note :** An Actual Criteria Checklist that used by the SCO to determine whether a fund has met all the necessary financial reporting requirements contained in this procedure manual is presented in the next page.

**STATE CONTROLLER'S OFFICE  
2013-14 YEAR-END FINANCIAL REPORTING CRITERIA CHECKLIST**

Fund No. 0122 Agency Code 5180 Fund Type G Analyst Anunley

**BUDGETARY/LEGAL BASIS REPORTING CRITERIA**

The following criteria are used to determine whether or not a fund meets the requirements for Financial Reporting. Any 'No' answer indicates disqualification. Requirements are also detailed in the Budgetary/Legal Basis Year-End Financial Reports Procedure Manual at [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

- |   |   |                             |                                     |
|---|---|-----------------------------|-------------------------------------|
| 1. The Budgetary Reports were received on <u>8/19/2014</u> . Was that on or before the due date? .....  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/>        |
| July 31, 2014 - General Fund, SFEU, and Feeder Funds<br>August 20, 2014 - All Other Funds   |   |                             |                                     |
| 2. Certification Letter format is correct, and includes the following: contact name, phone number, email address, agency name, organization code, one fund name, one fund number..... | <input checked="" type="checkbox"/>     | <input type="checkbox"/>    | <input type="checkbox"/>            |
| 3. All required reports were received or noted on certification letter.....   | <input checked="" type="checkbox"/>     | <input type="checkbox"/>    | <input type="checkbox"/>            |
| 4. Authorized report format was used.....   | <input checked="" type="checkbox"/>     | <input type="checkbox"/>    | <input type="checkbox"/>            |
| 5. Debits equal credits.....  | <input checked="" type="checkbox"/>     | <input type="checkbox"/>    | <input type="checkbox"/>            |
| 6. (Governmental Cost/Bond Funds only) CalSTARS automated reports (CSYDB3-1 – TC 24 / 34 / 71) are free of errors that require further SCO action to clear.....                       | <input checked="" type="checkbox"/>     | <input type="checkbox"/>    | <input type="checkbox"/>            |
| 7. Total error rate is less than or equal to 2%.....  | <input type="checkbox"/>                | <input type="checkbox"/>    | <input checked="" type="checkbox"/> |

Possible Errors		Error Calculation	
Wrong account numbers *	No agency/fund number on first page *	Total Errors	0
*"SCO Only" box used *	*0's present in Encumbrance column **	Divided by Total Entries	0
Amount entered on wrong line *	*0's present in Amount column **	Error %	0.00%
Subsidiary accounts missing *	Symbols such as "\$", "-", or "()" used **		
	* counted as 1 error PER infraction		
	** counted as 1 error for ALL infractions		

- |  |                                     |                             |   |
|--|-------------------------------------|-----------------------------|---|
| 8. Final revision received on _____ . Before due date listed in Criteria 1? .....  | Yes <input type="checkbox"/>        | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 9. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of expenditures incurred in the current year .....   | <input checked="" type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>                |
| 10. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of revenues realized in the current year .....  | <input checked="" type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>                |
| 11. (All Funds except 0001) Is the ending fund balance in the Annual Report within \$100,000 and 3% of the ending fund balance in the Governor's Budget Fund Condition Statement?..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>                |
| 12. GL accounts 1410 and 3114 (Due To/From Other Funds) include the Due From and Due To Supplementary Information Form identifying the related fund and organization Code(s) .....     | <input checked="" type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>                |
| 13. GL accounts 1420 and 3115 (Due To/From Other Appropriations) have subsidiary accounts identifying the related organization code(s) .....   | <input type="checkbox"/>            | <input type="checkbox"/>    | <input checked="" type="checkbox"/>     |
| 14. Supporting documentation and/or footnotes are provided for all accounts with abnormal Accruals/encumbrances .....  | <input type="checkbox"/>            | <input type="checkbox"/>    | <input checked="" type="checkbox"/>     |
| 15. Supporting documentation is provided for any amount listed on the Report 5 or CSYDB3 as a pending Budget Revision, Executive Order, Allocation Order, etc.....                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>                |
| 16. Fund Balance Variance Explanation Form Included .....  | <input checked="" type="checkbox"/> | <input type="checkbox"/>    | <input type="checkbox"/>                |

**GAAP BASIS REPORTING CRITERIA**

17. Were GAAP adjustments and/or audit reports submitted on time?..... No

September 2, 2014 - GAAP adjustments, Proprietary fund statements, Note Information, Statement of Changes In Assets and Liabilities, etc.  
October 1, 2014 - Draft Audit or October 15, 2014 - Final Audit, if draft received by 10/1

**Notes/Errors**

Question # 9, 10 and 11 on this Reporting Criteria does not apply to Governor's Re-organization agency

<b>MEETS ALL FINANCIAL REPORTING CRITERIA?</b>				Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
--	--	--	--	---	-----------------------------	------------------------------

Financial Report Review (Analyst Initials)	1st	2nd	3rd	4th
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**FINANCIAL REPORTING CRITERIA CHECKLIST**

• **Expenditure Criteria Worksheet**

The Expenditure Criteria Worksheet is a compilation and calculation of the total current year expenditures, accruals, and prior year accruals for a particular fund and org code. Each open and active expenditure control account for the fund is listed on the worksheet.

One of the financial reporting criteria for Governmental Cost Fund and Bond Fund is the prior-year expenditure accruals are within 10% of total expenditures incurred during the reporting year. See Financial Reporting Criteria Checklist criterion #9. This means the Total Prior Year Expenditure Accruals (C) must fall between 90% and 110% of the Total Expenditures as of June 30 (A) plus the Total Current Year Expenditure Accruals (B). If it doesn't meet the 10% variance, a 'No' will be checked on this worksheet as well as on the Financial Reporting Criteria Checklist criterion #9 which indicates a disqualification. A sample of the Expenditure Criteria Worksheet is illustrated below.

<b>2013-14 Financial Reporting Checklist</b>																							
<b>Expenditure Criteria Worksheet</b>																							
<b>Fund: 0122000</b>		<b>Agency: 5180</b>		<b>Analyst: Anunley</b>																			
Fund	Agency	FY	Ref	Enc Date	(A) Expenditures as of June 30	(B) CY Expenditure Accruals	(C) PY Expenditure Accruals																
0122000	5180	2012	101	06/30/2013	255,779.32	0.00	255,817.17																
<b>Total:</b>					255,779.32	0.00	255,817.17																
<p>To meet the Financial Reporting criteria, the Total Prior Year Expenditure Accruals (C) must be between 90% and 110% of the Total Expenditures as of June 30 (A) + the Total CY Expenditure Accruals (B).</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">Total Expenditures as of June 30 (A):</td> <td style="width: 5%; text-align: center;">+</td> <td style="width: 33%;">Total CY Exp Accruals (B):</td> <td style="width: 5%; text-align: center;">=</td> <td style="width: 24%;">Total Exp as of June 30 (A) + CY Exp Accruals (B):</td> </tr> <tr> <td style="text-align: right;">255,779.32</td> <td></td> <td style="text-align: right;">0.00</td> <td></td> <td style="text-align: right;">255,779.32</td> </tr> </table> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="width: 33%;">Total Exp as of June 30 (A) + CY Exp Accruals (B) x 90%:</td> <td style="width: 33%;">Total PY Exp Accruals (C):</td> <td style="width: 34%;">Total Exp as of June 30 (A) + CY Exp Accruals (B) x 110%:</td> </tr> <tr> <td style="text-align: right;">230,201.39</td> <td style="text-align: right;">255,817.17</td> <td style="text-align: right;">281,357.25</td> </tr> </table> <p>Are the Total PY Accruals between 90% and 110% of the Total Exp as of June 30 + Total CY Exp Accruals? <span style="border: 1px solid black; padding: 2px;">Y</span></p>								Total Expenditures as of June 30 (A):	+	Total CY Exp Accruals (B):	=	Total Exp as of June 30 (A) + CY Exp Accruals (B):	255,779.32		0.00		255,779.32	Total Exp as of June 30 (A) + CY Exp Accruals (B) x 90%:	Total PY Exp Accruals (C):	Total Exp as of June 30 (A) + CY Exp Accruals (B) x 110%:	230,201.39	255,817.17	281,357.25
Total Expenditures as of June 30 (A):	+	Total CY Exp Accruals (B):	=	Total Exp as of June 30 (A) + CY Exp Accruals (B):																			
255,779.32		0.00		255,779.32																			
Total Exp as of June 30 (A) + CY Exp Accruals (B) x 90%:	Total PY Exp Accruals (C):	Total Exp as of June 30 (A) + CY Exp Accruals (B) x 110%:																					
230,201.39	255,817.17	281,357.25																					

• **Revenue Criteria Worksheet**

The Revenue Criteria Worksheet is a compilation and calculation of the total current year revenues, accruals, and prior-year accruals for a particular fund and org code. Only prior-year revenue account(s) for the fund is/are included in the calculation on this worksheet.

One of the financial reporting criteria for the Governmental Cost Fund and Bond Fund is the prior-year revenue accruals are within 10% of total revenues realized during the reporting year. See Financial Reporting Criteria Checklist criterion #10. This means the Total Prior Year Revenue Accruals (C) must fall between 90% and 110% of the Total Revenues as of June 30 (A) plus the Total Current Year Revenue Accruals (B). If it doesn't meet the 10% variance, a 'No' will be checked on this worksheet as well as on the Financial Reporting Criteria Checklist criterion #10 which indicates a disqualification. A sample of the Revenue Criteria Worksheet is illustrated below.

2013-14 Financial Reporting Checklist							
Revenue Criteria Worksheet							
Fund: 0122000			Agency: 5180		Analyst: Anunley		
Fund	Agency	FY	Revenue Acct*	(A) Revenue as of June 30	(B) CY Revenue Accruals	(C) PY Revenue Accruals	
0122000	5180	2012	0150300	(281.61)	0.00	(281.61)	
				<b>Total:</b>	(281.61)	0.00	(281.61)
To meet the Financial Reporting criteria, the Total Prior Year Revenue Accruals (C) must be between 90% and 110% of the Total Revenue as of June 30 (A) + the Total CY Revenue Accruals (B).							
Total Revenue as of June 30 (A):		+	Total CY Rev Accruals (B):		=	Total Revenue as of June 30 (A) + CY Revenue Accruals (B):	
(281.61)			0.00			(281.61)	
Total Revenue as of June 30 (A) + CY Rev Accruals (B) x 90%:			Total PY Rev Accruals (C):		Total Revenue as of June 30 (A) + CY Rev Accruals (B) x 110%:		
(253.45)			(281.61)		(309.77)		
Are the Total PY Accruals between 90% and 110% of the Total June 30 Rev Balance + Total CY Rev Accruals? <input checked="" type="checkbox"/> Y							
* Excludes revenue accounts 0161000, 0500000, 0530000, and 03XXXXX							

• **Governor's Budget Criteria Worksheet**

The Governor's Budget Criteria Worksheet displays the comparison between Governor's Budget ending fund balance and SCO's ending fund balance less Reserved for Encumbrance and Deferred Payroll. It calculates whether the SCO's ending fund balance matches, is overstated, or is understated from the Governor's Budget ending fund balance.

One of the financial reporting criteria for all funds, except General Fund, is to have the ending fund balance within the \$100,000 and 3% of the ending fund balance on the Governor's Budget Fund Condition Statement. See Financial Reporting Criteria Checklist criterion #11. Samples of the Governor's Budget Criteria Worksheet and Governor's Budget Fund Condition Statement are illustrated below.

<b>2013-14 Financial Reporting Checklist</b> <b>Governor's Budget Criteria Worksheet</b> (Amounts in thousands)				
Fund: 0122		Agency: 5180	Analyst: Anunley	
SCO's ENDING FUND BALANCE LESS RESERVED FOR ENCUMBRANCE LESS DEFERRED PAYROLL JUNE 30	GOVERNOR'S BUDGET ENDING FUND BALANCE JUNE 30	SCO's FUND BALANCE IS OVERSTATED (UNDERSTATED) AS OF JUNE 30	OVER/UNDER- STATEMENT AS A PERCENTAGE OF GOVERNOR'S BUDGET ENDING FUND BALANCE	MEETS FINANCIAL REPORTING CRITERIA?
442	443	-1	0%	Yes
If the overstatement/understatement is less than \$100,000, the fund meets the financial reporting criteria, regardless of percentage.				
If the overstatement/understatement is greater than \$100,000 AND greater than 3%, the fund does not meet the financial reporting criteria.				

5180 Department of Social Services			
FUND CONDITION STATEMENTS	2013-14*	2014-15*	2015-16*
<b>0122 Emergency Food Assistance Program Fund *</b>			
BEGINNING BALANCE	\$435	\$443	\$438
Prior Year Adjustments	-2	-	-
Adjusted Beginning Balance	\$433	\$443	\$438
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4163000 Investment Income - Surplus Money Investments	1	1	1
4171300 Donations	441	588	588
Total Revenues, Transfers, and Other Adjustments	\$442	\$589	\$589
Total Resources	\$875	\$1,032	\$1,027
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
5180 Department of Social Services (Local Assistance)	426	588	588
7730 Franchise Tax Board (State Operations)	6	6	6

## Financial Statement Checklist to Assist with DOF/SCO Reconciliation

The DOF and the SCO collaborate to reconcile every Governmental Cost Fund. The Fund Condition Statement (presented in Governor's Budget) should reconcile with its' Statement of Operation (presented in Budgetary/Legal Basic Annual Report). In order for the fund to reconcile, the data reported by the departments to the SCO via their year-end financial reports must equal the data provided to the DOF via their budget documents. The DOF issues **Budget Letters on its website that addresses the Budgeting and Accounting Relationship and Coordination**. SAM section 6400 (<http://sam.dgs.ca.gov>) emphasizes the importance that fund balance, revenues, expenditures, and other accounting data included in the past year's presentation of the Governor's Budget must be equivalent in amount and classification with similar data published in the SCO's *Budgetary/Legal Basis Annual Report*.

The DOF designates an administering department for each fund. The administering department is responsible for the overall management of the fund. Information is available on the DOF website at [http://www.dof.ca.gov/budgeting/budget\\_letters/](http://www.dof.ca.gov/budgeting/budget_letters/)

The following checklist is provided to assist your department's fund review process. It is a summary of the checklist the SCO uses when reviewing each fund's balance sheet and statement of operations, once the accruals from each of agency sharing a fund have been posted.

\_\_\_\_\_ **Current Year (CY) Beginning Fund Balance equals Prior Year (PY) Ending Fund Balance.** Compare CY Pre-Closing Trial Balance (Report 7) and PY Post-Closing Trial Balance (Report 8).

\_\_\_\_\_ **Fund balance is zero, if required.** Some funds must have a zero fund balance at the end of each year (i.e. Federal Trust Fund, Local Revenue, and pass-through funds).

\_\_\_\_\_ **Assets, Expenditures, and Transfers-To are debits. Abnormal balances must have an explanation.** See instructions on page 70 for footnoting abnormal balances.

\_\_\_\_\_ **Liabilities, Revenues, and Transfers-From are credits. Abnormal balances must have an explanation.** See instructions on page 70 for footnoting abnormal balances.

\_\_\_\_\_ **Transfers To/From match the transfers included in the Fund Condition Statement for each fund included in the Governor's Budget (GB),** Typically, Fund Condition Statements for nongovernmental cost funds are not included in the GB. See GB located at: [http://www.ebudget.ca.gov/2014-15/index\\_of\\_funds.html](http://www.ebudget.ca.gov/2014-15/index_of_funds.html)

\_\_\_\_\_ The Material Variance Explanation Form is completed, material amounts have been researched, a detailed explanation has been provided, and one copy of the form is included with the required year-end reports. The Material Variance Explanation Form can be found on the SCO website located at: [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

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# Revisions

## Submitting Revised Reports

### General Instructions

If it is necessary to revise the amounts reported on your department original year-end reports, use the forms provided on the SCO website at [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html). The amounts reported as revisions for all fund types should only be the **difference** between the original amount reported for a specific account on the original report and the correct amount. It is not necessary to send an entirely new set of year-end reports.

### Revisions to year-end reports are due by September 15, 2015.

For **revision(s) sent on or before September 15, 2015**, submit a Certification Letter for revision along with the Revisions to Accruals and Adjustments to Controller's Accounts, Forms 571E and 571F by email to [BLFinrep@sco.ca.gov](mailto:BLFinrep@sco.ca.gov). The hard copies of the revision are also required. The Certification Letter should state "Revised."

For **Revisions to be submitted after September 15, 2015**, call or email one of the SCO contacts below to obtain approval prior to submitting revisions:

- Budgetary Legal Financial Reporting at [BLFinrep@sco.ca.gov](mailto:BLFinrep@sco.ca.gov)

### Governmental Cost Fund Revisions:

If you have revisions for a governmental cost fund, submit the following:

- A revised certification letter for governmental cost fund (refer to page 28 for a sample).
- Forms 571E and 571F, Revision to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the **difference** between the original amount as reported for a specific GL or appropriation account ("D", "T", and "F" type accounts) on the original Report 1 and/or on the original Report 3 and the correct amount.

### Nongovernmental Cost Fund Revisions:

If you have revisions for a nongovernmental cost fund, submit the following:

- A revised certification letter for non-governmental cost Fund (refer to page 29 for a sample)
- **Only** Form 571E, Revisions to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the **difference** between the original amount as reported for a specific GL account on the original Report 7 and the correct amount.

## Revisions to Accruals and Adjustments to Controller's Accounts (Reports 1 and 3)

This report is a system input document containing the revisions needed to correct the amounts previously submitted on the Report of Accruals to Controller's Accounts (Report 1) and/or the Adjustments to Controller's Accounts (Report 3). The amounts entered on this report, combined with the amounts originally submitted on Reports 1 and 3, should bring the SCO balances into agreement with the department's revised balances. Submitting this report eliminates the need to submit a complete set of revised reports.

This report consists of the following forms:

**Form 571E:** Designed to report revisions to asset and liability accounts (real accounts).

**Form 571F:** Designed to report revisions to disbursement, reimbursement, transfer, and receipt accounts (nominal accounts).

As this report is used as a system input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

### General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. **Do not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the revision. Each entry must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column of Form 571E and to the right of the amount on Form 571F.

### Specific Instructions

The instructions below are followed by a blank form for Revisions to Accruals and Adjustments to Controller's Accounts. Each numbered item in the following instructions references a corresponding numbered field in the form.

Form 571E

- |           |  |   |
|-----------|--|---|
| <b>1</b>  | <b>Department Name and Number:</b>       | Enter department name and number.   |
| <b>2</b>  | <b>Fund Name and Number:</b>             | Enter fund name and corresponding four-digit fund number.   |
| <b>3</b>  | <b>Name of Contact Person and Title:</b> | Enter the name and title of the person who should be contacted to answer questions concerning this report.  |
| <b>4</b>  | <b>Telephone Number:</b>                 | Enter the contact person's telephone number.  |
| <b>5</b>  | <b>E-mail Address:</b>                   | Enter the contact person's email address.   |
| <b>6</b>  | <b>Account:</b>                          | Enter the GL account number from the original set of reports for the account being revised.   |
| <b>7A</b> | <b>Amount:</b>                           | Enter the adjustment needed to correct amounts previously submitted on Reports 1 and/or 3.  |
| <b>7B</b> | <b>D/C (Debit or Credit):</b>            | Enter D when the amount in the Amount column is a debit and C when the amount is a credit.  |
| <b>7C</b> | <b>Net Debits/Credits:</b>               | Enter the net of the debits and credits in the Amount column and indicate it as D or C.   |
| <b>8A</b> | <b>Encumbrances:</b>                     | Enter the adjustment needed to correct the amounts previously submitted on Report 1 and/or 3. The net encumbrance amount, after being revised by this adjustment, must not exceed the net accrual.            |
| <b>8B</b> | <b>D/C (Debit or Credit):</b>            | Enter D when the encumbrance amount in the Encumbrance column is a debit and C when the amount is a credit. The encumbrance should have the same D or C sign as the corresponding accrued asset or liability. |
| <b>8C</b> | <b>Net Debits/Credits:</b>               | Enter the net of the debits and credits in the Encumbrance column and indicate it as D or C.  |

Form 571F

- |          |                                    |   |
|----------|------------------------------------|---|
| <b>1</b> | <b>Department Name and Number:</b> | Enter department name and number.                         |
| <b>2</b> | <b>Fund Name and Number:</b>       | Enter fund name and corresponding four-digit fund number. |

- 3 Name of Contact Person and Title:** Enter the name and title of the person who should be contacted to answer questions concerning this report.
- 4 Telephone Number:** Enter the contact person's telephone number.
- 5 E-mail Address:** Enter the contact person's email address.
- 6 Appropriation and Revenue Account Titles:** Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.
- 7 FY through Revenue/Object:** Enter the disbursement, reimbursement, transfer, or receipt account number from the original set of reports that is being revised. **Do not** post to categories 94, 95, 96, 98, and 99.
- Note:** The Revenue/Object is the six-digit receipt account. Follow instructions for Form 571D. (See page 40).
- 8A Amount:** Enter the adjustment needed to correct amounts previously submitted on Reports 1 and/or 3.
- 8B D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 8C Net Debits/Credits:** Enter the net of the debits and credits in the Accrual Amount column and indicate it as D or C.
- 9A Encumbrances:** Enter the adjustment needed to correct the amounts previously submitted on Report 1 and/or 3. The net encumbrance amount must not exceed the total accrued Payables and Due To's after this revision.
- 9B D/C (Debit or Credit):** Enter D when the encumbrance amount in the Encumbrance column is a debit and C when the amount is a credit.
- 9C Net Debits/Credits:** Enter the net of the debits and credits in the Encumbrance column and indicate it as D or C.

REVISION TO REPORT NOS. 1 & 3 Form 571E (Rev. 3/10)

## Revisions to Accruals and Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
<b>D</b>	<b>20111010</b>	<b>0584</b>	

Agency Name and Number <b>1</b> <b>Governmental Accounting Advisory Board (1234)</b>		Fund Name and Number <b>2</b> <b>General Fund (0001)</b>	
Name of Contact Person, Title <b>3</b> <b>Bud G. Tary, Accounting Administrator</b>		Telephone Number <b>4</b> <b>916-555-1234</b>	Email Address <b>5</b> <b>Bud.G.Tary@gaab.ca.gov</b>

ACCOUNT TITLE	<b>8B</b>		<b>6</b> ACCOUNT		<b>7A</b> AMOUNT		<b>7B</b>	
	<b>8A</b> ENCUMBRANCES		<b>D</b>	<b>C</b>			<b>D</b>	<b>C</b>
<b>Net Credits/Debits</b>	<b>8C</b>	<b>0.00</b>	<b>Net Credits/Debits</b>		<b>7C</b>	<b>0.00</b>		

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REVISION TO REPORT NOS. 1&3 Form 571F (Rev. 3/10)

## Revisions to Accruals and Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
<b>D</b>			

Agency Name and Number <b>1</b> <b>Governmental Accounting Advisory Board (1234)</b>	Fund Name and Number <b>2</b> <b>General Fund (0001)</b>
Name of Contact Person, Title <b>3</b> <b>Bud G. Tary, Accounting Administrator</b>	Telephone Number <b>4</b> <b>916-555-1234</b>
	Email Address <b>5</b> <b>Bud.G.Tary@gaab.ca.gov</b>

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C
<b>6</b>	<b>9A</b>	<b>9B</b> ←							<b>7</b>						→	<b>8A</b>	<b>8B</b>
Net Debits/Credits	<b>9C</b>	<b>0.00</b>														<b>8C</b>	<b>0.00</b>

REVISION TO REPORT NOS. 1 & 3 Form 571E (Rev. 3/10)

## Revisions to Accruals and Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
<b>D</b>	<b>20151010</b>	<b>XXXX</b>	

Agency Name and Number <b>① Government Accounting Advisory Board (1234)</b>	Fund Name and Number <b>② Non-Governmental Cost Fund (XXXX)</b>	
Name of Contact Person, Title <b>③ Bud G. Tary, Accounting Administrator</b>	Telephone Number <b>④ 916-555-1234</b>	Email Address <b>⑤ <a href="mailto:Bud.G.Tary@qaab.ca.gov">Bud.G.Tary@qaab.ca.gov</a></b>

ACCOUNT TITLE	ENCUMBRANCES	D C	⑥ ACCOUNT	⑦A AMOUNT	D C
	⑧A				⑦B
<b>Net Credits/Debits</b>	⑧C	—	<b>Net Credits/Debits</b>	⑦C	—

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# **Frequently Asked Questions**

## Frequently Asked Questions

**Q1: We are a Non-CALSTARS agency and, per the new requirements, “Statewide Assessments” expenditures will be reported in the GL 9000 column in Report 15. Total reported expenditures in Report 7 must agree with that on Report 15. We will report them under the GL 9000 column in Report 15 as requested, but they will be separated from the normal GL 9000 in Report 7 so that we can keep track of our own “Appropriation Expenditures” on the Trial Balances each month.**

**Has it made a difference for the SCO or the DOF to report the Statewide Assessments expenditure under GL 9010, State Ops, instead of GL 9000, Appropriation Expenditures, on report 7 since GL 9010 rolls up to 9000 anyway?**

**A1:** It is appropriate for you to report the statewide assessments as GL 9010/State Operations on Report 7 as long as (1) you break out the Report 15 GL 9000 and 9010 separately; and (2) the amounts for both reports (Report 7 and Report 15) match.

**Q2: If we have a fund with subfunds, do we need to submit a separate certification (cert) letter for each subfund?**

**A2:** No, you do not need to submit a separate certification letter for each subfund; a fund with multiple subfunds can be included within one certification letter, but the reports submitted for each subfund must be listed separately on the letter.

**Q3: When we need to submit revised accruals, do you want a whole new set of year-end reports?**

**A3:** No, do not submit an entirely new set of year-end reports if you submit revisions to your original accruals. Only a revised certification letter and revision reports are required (refer to Revision section).

Special Note: Ensure that, if you are submitting revisions to your original accruals, the revised amount is the difference between the original reported amount and the correct amount. Both Report 1 and Report 3 are used as a system input documents, and the SCO would like to avoid duplicate entries and the doubling up of amounts.

Also, revisions submitted after the revision deadline will not be accepted without the Budgetary/Legal Reporting Section Manager’s prior approval.

**Q4: If we are reporting for a shared fund, what GL Account do we use on our Pre-Closing Trial Balance for Retained Earnings?**

**A4:** You will use GL Account 5570, Fund Balance Clearing, if you are reporting for a shared fund.

**Q5: If I have an abnormal balance on my Pre-Closing Trial Balance, Report 7, where should I provide an explanation?**

**A5:** Provide the explanation for an abnormal account balance and/or negative fund balance on the bottom of Report 7. Check to make sure the abnormal account balance is valid. For example, if the payable account has a debit balance, it may be proper to reclassify it to a receivable account to resolve the abnormal account balance.

**Q6: Is it okay to submit a Certification Letter with each nongovernmental instead of the signature panel at the end of Reports 7, 8, and 9?**

**A6:** Yes, the Certification Letter takes the place of the signature panel on each of the individual reports. The Certification Letter is required. The signature panels on the individual reports do not need to be signed.

**Q7: On the Due To/Due From Supplementary Form, how do I know if it is a Due to Other Funds or Due to Other Appropriations?**

**A7:** A Due To/From Other Appropriations (GLs 3115/1420) is appropriate when the Due To/From is between two different appropriations within the same fund.

Note: To accurately reflect the Due To/From Other Funds or Other Appropriations, you must fill out the Due To/From Other Funds/Appropriations Supplementary Information Form using the fund or org code which the transaction is ultimately going to as the subsidiary fund or org code for Accounts 1410/3114 (Funds) and 1420/ 3115 (org code), respectively. For instance, you do not want to use the fund or org code that is a pass through fund or org code for the subsidiary. You want to use the fund or org code to which the money is ultimately going or paying for an expense. This information should be available in an agency agreement, and/or you should be able to contact the other department involved. Your Due To/Froms between funds/departments must reconcile between the departments, respective Due To/Froms on the Supplementary Information Forms. Indicate on the form if you have contacted the other department, but the amounts cannot be confirmed. Two copies (one electronic and one hard copy) of the Due To/From Other Funds/Appropriations Supplementary Information form are required. The copy sent electronically must be submitted using the Excel version available on the SCO website.

**Q8: Should Report 13, Report of Expenditures of Federal Funds, be considered a Special Report on the Certification Letter?**

**A8:** No, Report 13 is not considered a Special Report.

**Q9: What if my ending fund balance does not match my beginning fund balance because of a prior-year adjustment?**

**A9:** Make an entry that hits PY Surplus Adjustment account rather than changing the beginning fund balance. Beginning Fund balance should never be restated.

**Q10: If the appropriation is reverted and the only activity is a prior-year accrual which is reversing, do I submit Report 5?**

**A10:** Yes. Essentially, if we have provided Report 5 for your appropriation(s) on our website, you are required to submit it to us at year-end with your reports, whether you have accrual activity or not.

**Q11: Can cash have a negative ending balance?**

**A11:** Yes, if (1) it is a shared fund, and (2) the total cash for all departments is a debit. The fund administrator (administering department) must communicate with the other departments, and vice versa, to ensure that the total cash balance is a debit and that it equals the balance on the SCO records at June 30.

**Q12: My department has submitted its year-end reports, but we have now found that we need to revise what had been submitted. What is the procedure for submitting revised reports, and what forms should we use?**

**A12:** Complete Forms 571E and 571F as necessary. The forms are provided on the SCO's website. For governmental cost funds, you will use both forms. For nongovernmental cost funds, you will only use Form 571E. Submit the forms with a revised certification letter. Refer to Certification Letter section for samples of revised certification letters.

Note: The amounts reported as revisions for all fund types should only be the difference between the original amount reported for a specific account on the original report and the correct amount.

**Q13: Where do I find additional information about the Governor's Reorganization Plan (GRP)?**

**A13:** More information can be found on the Office of the Governor's website at <http://www.gov.ca.gov/news.php?id=17617>. A review of the Government Reorganization Plan No. 2 was conducted by the Little Hoover Commission in 2012. Its recommendation can be found at <http://www.lhc.ca.gov/studies/211/Report211.pdf>.

**Q14: When are year-end reports due?**

**A14:** July 31, 2015 is the due date for General Fund, Feeder Funds and Special Funds for Economic Uncertainties. And August 20, 2015 is the due date for all other funds. Refer to page 9 for more details.

**Q15: Where can I find SCO reporting information?**

**A15:** SCO reporting information can be found at SCO website: [http://www.sco.ca.gov/ard\\_reporting.html](http://www.sco.ca.gov/ard_reporting.html)

**Q16: Who can I contact for assistance?**

**A16:** You can contact any analyst, supervisor, or manager on the SGR contact list on the back of the front cover of this Manual.

**Q17: Who is in charge of statewide accounting policy?**

**A17:** DOF and FSCU are in charge of statewide accounting policy.

**Q18: What does State Governmental Reporting (SGR) look at in the Financial Reporting Criteria Checklist?**

**A18:** With the Financial Reporting Criteria Checklist, SGR expects the year-end financial reports are timely, complete, and have no errors.

**Q19: When can I submit a revised year-end report?**

**A19:** The revisions sent on or before September 15, 2015 will be considered timely.

**Q20: Which year-end reports are required?**

**A20:**

- Governmental Cost Funds:
  - CALSTARS-Automated: reports” CSYDB3-1, H14, 3, 4, 6, 7 &8
  - Manual: reports: 1, 2, 3, 4, 5, 7, 8, &15
- Nongovernmental Cost Funds: Reports 3, 7, 8, 9, 13, &20
- Bonds Funds: reports: 1, 2, 3, 4, 5, 7, 8, &15
- Special Reports: reports: 14, 18, 19, & 22
- Supplemental Information: Due To/Due From and Material Variance form.

**Q21: What funds should the special reports be submitted with?**

**A21:** The special reports (report 14, 18, 19 and 22) should be submitted with General Fund or Special Funds respectively. If your department doesn't have General Fund and Special Funds, or if your special reports are not ready to be submitted with General Fund and Special Funds, submit the special reports with your department's main fund. And indicate on **all** other funds' Certification Letters the fund these reports are submitted with.

**Q22: Do I have to submit the Material Variance Form (MVF) if there is no material variance or activities to report?**

**A22:** The MVF is required to be submitted with each fund except General Fund regardless activities. If there is no activity to report, indicate on the form “no activity to report”.

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