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IV—B Year-End Closing—Prepare Automated Governmental Fund Reports

This chapter discusses the CALSTARS automated year-end process for the electronic transmittal of year-end financial data for Governmental Cost Funds (including those with fund source B - legal basis bond funds). The chapter provides the requirements for participation in the automated process and detailed instructions for preparation and submission of automated governmental fund reports.

Use of the automated year-end process is optional; CALSTARS departments may choose to participate and transmit reports for some or all of their Governmental Cost Funds.

OVERVIEW OF THE AUTOMATED YEAR-END PROCESS

The CALSTARS automated year-end process allows departments to electronically transmit year-end financial data to the State Controller's Office (SCO) in lieu of preparing and submitting Reports No. 1, 2, 3, 5, and 15. A hardcopy of the DB3 SCO/CALSTARS Auto Year End Report replaces these reports.

NOTE: Departments participating in automated year-end for the first time are required to prepare and submit Reports No. 1, 3, and 5 to the SCO in addition to electronically transmitting year-end financial data. They are also required to prepare and retain Reports No. 2 and 15 for potential questions from the SCO.

The Automated Year-End Report Checklist is designed to be used throughout the automated year-end process. The checklist is displayed in Exhibit IV-B-23 at the end of this chapter or can be accessed on the Internet at <http://www.dof.ca.gov/html/calstars/calsdocs/optools/autoyearendchecklist.pdf>.

The automated portion of the year-end process begins after standard adjusting entries have been entered and final FM 13 reconciliations are completed. Departments request preliminary DB3 and G02 Reports to begin the process. The department enters a series of applicable automated year-end transactions and corrects all edit messages to finalize the report. The final report is electronically transmitted to the SCO in lieu of Reports No. 1, 2, 3, 5 and 15. A signed certification letter is then sent to the SCO along with the required attachments to complete the process. The following steps are required to complete automated year-end statements:

- ✪ Complete Section 1 of the Automated Year-End Report Checklist.
- ✪ Request a preliminary DB3 Report (**Blank** report period option) and a G02 Report.

- ✦ Identify transaction codes (TC 750-760) for automated year-end reporting that need to be posted for Prepayments to Architecture Revolving Fund (ARF) (Subsidiary 0602), adjustments to SCO, pending BRs, reimbursable encumbrances, and special reporting on fund level accruals for GL 3400, GL 3500 and GL 3730.
- ✦ Post transaction codes for FM13. **These entries only affect the DB3 Report.**
- ✦ Request final DB3 Report (N report period option) and identify records that have fatal edit messages and cannot be transmitted.
- ✦ Resolve all edit messages displayed on the lower left hand side of the DB3 Report.
- ✦ Order and review final DB3 Report (Blank report period option).
- ✦ Complete Section 2 of the Automated Year-End Report Checklist.
- ✦ Request remaining CALSTARS reports (G02, Q26, B06, G05) needed for year-end financial statements.
- ✦ Complete the Q26 (Report No. 4), Report No. 14, and Report No. 22.
- ✦ Complete Section 3 of the Automated Year-End Report Checklist.
- ✦ Transmit data electronically to the SCO through the Command F.2, SCO Year-End Data Transfer screen.
- ✦ Receive CALSTARS system generated CSYDB3-X Reports.
- ✦ Prepare certification letter.
- ✦ Annotate any adjustments to SCO displayed on the CSYDB3-1 Report and cross reference to the supporting Transaction Request form(s).
- ✦ Assemble the year-end package with the certification letter, supporting documentation (if applicable), CSYDB3-1 Report, and other required reports.
- ✦ Complete Section 4 of the Automated Year-End Report Checklist.
- ✦ Submit year-end package to SCO by the deadline.

The remainder of this chapter provides detailed information about each of the steps listed.

PARTICIPATION INFORMATION

By May 31, first year participating departments must contact the CALSTARS Hotline at (916) 327-0100 or e-mail HOTLINE@dof.ca.gov to notify CALSTARS that they intend to participate in the automated year-end process.

Ongoing participants are not required to contact CALSTARS. Refer to the definition below for clarification of 'ongoing' participants.

Ongoing participants – departments that have participated in the automated year-end process last fiscal year **and** successfully transmitted at least one Governmental Cost Fund **or** received a 'No Data To Transmit' message on the **F.2** screen.

CALSTARS will inform the SCO which departments plan to participate in the automated process. Contact the CALSTARS Hotline at (916) 327-0100 for questions regarding participation criteria.

Other Considerations For Participation In The Automated Year-End Process

- ✦ Prior to July 1 departments must verify the SCO Account Segment is correctly established on their Appropriation Symbol (AS) Table records for all active fiscal years. Refer to CALSTARS Procedures Manual (CPM) Volume 2, Chapter IV-AS, Appropriation Symbol Table for instructions regarding the establishment of the SCO Account Segment.
- ✦ Departments must use unique document numbers for each accrual or adjustment that includes a **Subsidiary**. This can be accomplished by changing the Document Number Suffix for each transaction. If the same suffix is used on all entries, the entries overlay each other causing general ledger subsidiaries to be out of balance with document file subsidiaries. The document will show the classification data from the last entry making it difficult to trace and audit entries.
- ✦ SCO Year-End FTP on the CALSTARS Security Form (Form 95) must be authorized and input by Departmental Security Officer for all staff that need to view or select funds for transmittal to the SCO. The department's CALSTARS Security Officer may contact the CALSTARS Hotline at (916) 327-0100 for further assistance.
- ✦ If the following applies to any fund within a department, the year-end financial data for the applicable fund may not be transmittable:
 - The department does not use Program 99 for the Clearing Account.
 - The department does not use Element 02 for Distributed Administration.
 - A fund is budgeted with Program 00, Element 00, or Component 000.
 - A fund is recorded at the SCO by sub fund, but the sub fund is not established in the D23 Fund Detail Table or the activity is not recorded in CALSTARS by Fund Detail.
- ✦ To meet SCO's August 1, 2011 year-end financial reporting deadline for submitting General Fund, Feeder Funds, Economic Uncertainty Funds, and the Budget Stabilization Account, departments must transmit year-end data

by July 29, 2011. The last day departments may transmit automated year-end data for all other funds is August 19, 2011. If the department does not successfully transmit by August 19, 2011, the department must prepare and submit a complete set of manual year-end statements for any fund that was not transmitted.

- ✪ Departments participating in automated year-end for the first time are required to prepare and submit Reports No. 1, 3, and 5 to the SCO in addition to electronically transmitting year-end financial data. They are also required to prepare and retain Reports No. 2 and 15 for potential questions from the SCO.

NOTE: Departments are not required to prepare Reports No.1, 2, 3, 5 and 15 if they are **ongoing** participants.

- ✪ Beginning in early July, the Menu option **F.2: Monthly and Special Processes - SCO Year-End Data Transfer** screen will display a listing of each department's eligible Governmental Cost Funds. The fund must appear on the **F.2** screen in order to transmit electronic year-end statements.

Prior to the Automated Year-End Process

Prior to beginning the automated year-end process, departments must complete all other steps in the regular year-end process:

- ✪ Post all accruals and adjustments in FM 13 in accordance with Chapters II and III.
- ✪ Complete all final FM 13 reconciliations, including appropriation, other detail accounts (e.g., Revenue), and general ledger (GL).

COMPLETE SECTION 1 OF THE AUTOMATED YEAR-END REPORT CHECKLIST.

| | |
|-------|--------------------------------------|
| 3110* | Due to Other Funds or Appropriations |
| 3210 | Due to Federal Government |
| 3220 | Due to Local Government |
| 3290 | Due to Other Governmental Entities |
| 3730 | Uncleared Collections |

***NOTE:** The DB3 GL Account Verification section displays GL 1400, GL 1500, and GL 3110 at the same level shown on the G02 Report, Pre-Closing Trial Balance.

GL 1600-Provision for Deferred Receivables will not reconcile to the G02 Report, Post-Closing Trial Balance if the transactions to record subsidiaries (TC 593) were posted with incorrect amounts. Refer to the G02 Report, Subsidiaries on File section for related error messages. Entries posted with TC 593 must be corrected in order to balance to the G02 Report prior to transmitting year-end data to the SCO.

There are no edit messages associated with this section, but several footnotes may be displayed at the bottom of the page. Detailed explanations of the footnotes are noted here:

FOOTNOTE D: AMOUNTS WILL NOT RECONCILE TO G02 ONCE AUTO YE TC'S POST

After input of the automated transaction codes (TC 750 – 760), GL accounts 1400, 3110, 3400, and 5330 on the DB3 Report may no longer reconcile to the G02 Report.

FOOTNOTE E: GL 55XX MAY OR MAY NOT RECONCILE TO THE G02 REPORT

The amount shown in the Fund Balance (GL 55XX) on the DB3 GL Verification page will not necessarily agree with the G02 Report, Post-Closing Fund Balance. The DB3 Report uses this account as a balancing figure to net the debits and credits depending on the other GL accounts displayed or not included, (i.e., GL 1730-Prepayments).

FOOTNOTE F: DEPARTMENTS MUST REPORT PREPAY TO ARF (AUTO YEAR END TC 750)

This footnote appears after departments have posted automated year-end TC 750 to report GL 1730-Prepayments to the Other Funds and appropriations and GL 5330-Reserve for Prepaid Items (Subsidiary 0602).

An example of the GL Account Verification page of the DB3 Report prior to posting the automated year-end transactions is displayed in Exhibit IV-B-3.

IDENTIFY AND POST TRANSACTION CODES FOR AUTOMATED YEAR-END REPORTING

After the preliminary DB3 Report is ordered, the applicable transaction codes (TC 750 –760) for automated year-end reporting are posted. The automated year-end TCs post only to the DB3 Report and the History File. They do not post to any other CALSTARS files and are not visible on any other standard CALSTARS year-end (PY) reports. These transactions are used to provide information required by the SCO for year-end reporting purposes only. They do not impact the data already recorded in CALSTARS, and do not need to be reversed in the new year.

Exhibit IV-B-4 displays the automated year-end TCs, their GL impact, and the source of posting information. The TCs are listed in the order they are most frequently used. For additional details regarding these TCs, refer to CPM Volume 5 at <http://www.dof.ca.gov/accounting/calstars/procedures/>.

Below are the items or situations that require the department to post specialized automated year-end transactions to finalize their automated statements:

- ✳ Prepayments to ARF (Subsidiary 0602), (previously reported in the manual statements on Report No. 1).
- ✳ Adjustments to SCO appropriations and other detail accounts (previously reported in the manual statements on Report No. 3).
- ✳ Pending Budget Revisions (previously reported in the manual statements on Report No. 5) or other Budget Adjustments required for reporting purposes.
- ✳ Net encumbrances funded by reimbursements (previously reported in the manual statements on Report No. 1).
- ✳ Fund level adjustments/accruals for Advance Collections (GL 3400), Liabilities for Deposit (GL 3500), and Uncleared Collections (GL 3730) (previously reported in the manual statements on Report No. 1). Include unremitted amounts only.
- ✳ Reverted appropriations with an outstanding claims filed accrual. The Outstanding Claims Filed Accrual (GL 3020), may be recorded in a reverting appropriation if SCO agrees to open the appropriation and pay the claim schedule(s) in July.

NOTE: Automated year-end transactions are not reversed in the new year. Do **not** enter these transactions in auto-reverse batch numbers A01-A99.

Exhibits IV-B-5 through IV-B-7 are reference guides for the DB3 Report after the automated year-end TCs are posted. Exhibits IV-B-5 and IV-B-6 display the effect of the automated year-end TCs. Exhibit IV-B-7 compares the DB3 Report to manually prepared year-end reports in Chapter IV-A.

Exhibit IV-B-22 displays a complete DB3 Report after the automated year-end TCs are posted. The financial information displayed on the DB3 Report ties to the manually prepared statements displayed in Chapter IV-A.

EXHIBIT IV-B-4
TRANSACTION CODES FOR AUTOMATED YEAR-END REPORTING

| Subject | TC | GL Acct | Purpose/Instructions | Information Source |
|---|------|--------------------|--|---|
| PREPAYMENTS TO ARCHITECTURE REVOLVING FUND (ARF) | 750 | Dr 1730 Cr 5330 | To report Prepayments to Architecture Revolving Fund (ARF) in GL 1730, and the Reserve for Prepayments to ARF in GL 5330, not recorded by SCO. Enter Subsidiary 06020000 . | G02 Report – Subsidiaries On File GL 1730, Subsidiary 06020000 . |
| ADJUSTMENTS TO SCO – APPROPRIATION ITEMS | 753 | Dr 6990 Cr 3110 | To record adjustments to SCO impacting GL 3110 for appropriations/other detail accounts. Enter valid Subsidiary. Enter Source for Revenue adjustments. | SCO reconciliations and/or Transaction Request |
| | 754 | Dr 1400 Cr 6990 | To record adjustments to SCO impacting GL 1400 for appropriations/other detail accounts. Enter valid Subsidiary. Enter Source for Revenue adjustments. | SCO reconciliations and/or Transaction Request |
| PENDING BRs/REVERTED APPROPRIATION WITH AN OUTSTANDING CLAIMS FILED ACCRUAL APPROVED BY SCO | 757 | N/A | To post BRs increasing expenditure/operating transfer out appropriations and BRs decreasing reimbursement appropriations. Departments should use TC 011, TC 030 etc. to post all BRs to CALSTARS. Do not post pending BRs with TC 050 or TC 051. Attach a copy of BR and Executive Order. TC 757 is also used to retain a budget for outstanding claim schedules against reverting appropriations that will be paid by SCO in the new fiscal year. (Departments should use TC011). Attach a copy of the facesheet of the pending claim schedule to the Financial Statements. Do not use TC 757 for revenue accounts. | SCO reconciliations, Executive Order, and Budget Revision document |
| | 757R | N/A | To post BRs decreasing expenditure/operating transfer out appropriations and BRs increasing reimbursement appropriations. Departments should use TC 011, TC 030 etc. to post all BRs to CALSTARS. Do not post pending BRs with TC 050 or TC 051. Attach a copy of BR and Executive Order. Do not use TC 757R for revenue accounts. | SCO reconciliations, Executive Order, and Budget Revision document |

EXHIBIT IV-B-4 (Continued)
TRANSACTION CODES FOR AUTOMATED YEAR-END REPORTING

| Subject | TC | GL Acct | Purpose/Instructions | Information Source |
|---------------------------------|---------------|-----------------------------------|--|--|
| NET ENCUMBRANCES | 758, 759, 760 | Dr 1312, 1400, 1500 Cr 6990 | To report the amount of Net Encumbrances funded by Reimbursements on the ultimate expenditure appropriations. Do not post these TCs to a Clearing Account or Category 90, Reimbursements account. Post these TCs to the applicable expenditure appropriation for the amount of the reimbursement receivables. | CALSTARS reports or internal spreadsheet |
| GL 3400 ADVANCE COLLECTIONS | 755 | Dr 6990 Cr Input 3400 | To report cash not remitted to the SCO and cash remitted but not receipted by the SCO for Advance Collections. GL 3400 must be reported at year-end; and the DB3 Report does not initially include GL 3400. Enter Subsidiary 34100000 or 34200000 . | GL 3400 reconciliation |
| GL 3500 LIABILITIES FOR DEPOSIT | 756 | Dr Input 3500 Cr 6990 | To reduce the amount to be reported for GL 3500, Liabilities for Deposit, by the amount of cash that SCO has already receipted. The DB3 Report initially includes the total GL 3500. This TC reduces GL 3500 to the unremitted/unreceipted amount. Enter Subsidiary 35100000. NOTE: This entry is only required when GL 3500, Liabilities for Deposit have been remitted to SCO. | GL 3500 reconciliation |
| GL 3730 UNCLEARED COLLECTIONS | 756 | Dr Input 3730 Cr 6990 | To reduce the amount to be reported for GL 3730, Uncleared Collections by the amount of cash that SCO has already receipted. The DB3 Report initially includes the total GL 3730. This TC reduces GL 3730 to the unremitted/unreceipted amount. NOTE: This entry is only required when GL 3730, Uncleared Collections have been remitted to SCO. | GL 3730 reconciliation |

RESOLVE EDIT MESSAGES ON THE DB3 REPORT

After automated year-end transactions are posted, departments should request the DB3 Report (**Blank** report period option) to research and resolve edit messages.

Resolve Edit Messages - Fund Level Accruals Section

Edit messages display on the lower left-hand side of the report. These edit messages are fatal (except for report edit message "Subsidiary Not In DT-32 Table") and must be cleared before automated year-end data can be transmitted to the SCO.

In addition, subsidiary balances display if the general ledger subsidiary balances on the G02 or S01 Reports do not reconcile to the document file subsidiary balances on the D09 or D10 Reports. Although no error messages are associated with this out-of-balance condition, these subsidiaries should not appear on the Fund Level Accruals page.

A listing of the edit messages displayed in the Fund Level Accruals section of the DB3 Report and the corresponding explanations are shown in Exhibit IV-B-8.

Examples of the Fund Level Accruals page with fatal errors and out of balance subsidiaries are shown in Exhibit IV-B-9.

EXHIBIT IV-B-8
EDIT MESSAGES FOR FUND LEVEL ACCRUALS

| Edit Message | Explanation/Action Required |
|--|--|
| GL 1110 OR GL 1130 HAS ABNORMAL BALANCE | GL 1110 and/or GL 1130 have abnormal credit balances on the Fund Level Accruals page. Make necessary corrections, if appropriate. If an abnormal balance truly exists as of June 30, year-end data for the fund cannot be transmitted electronically and manual year-end statements must be prepared. |
| GL 1600 REQUIRES SUBSIDIARY | All amounts in GL 1600 must be reclassified using TC 593. |
| SUBSIDIARY DOES NOT CONTAIN A VALID FUND PER D22 TABLE | Review the Subsidiary. Correct the transaction containing the invalid fund number in the subsidiary or contact the CALSTARS Hotline if a fund needs to be established in the statewide D22 Fund Table. |
| SUBSIDIARY NOT IN D32 TABLE | Review the Subsidiary. Correct the transaction containing the invalid subsidiary or establish the subsidiary in the D32 Subsidiary Table. Ensure that valid Subsidiaries are established in the D32 Subsidiary Table. For example, the valid Subsidiaries for GL 3400 are 34100000, 34200000, and 34300000. Refer to CPM Volume 1, Chapter V, General Ledger Account Structure for additional information. |
| GENERAL LEDGER NOT IN D31 TABLE | Review the GL for validity. The GL must be included in the Uniform Codes Manual. Correct the transaction containing the invalid GL or contact the CALSTARS Hotline if a GL needs to be established in the statewide D31 GL Table. |
| FUND LEVEL ACCRUALS NOT BALANCED | Incorrect amounts were posted with the special automated year-end TCs, TCs were posted in error, or one or more TCs were not posted as follows: TC 755 to record unremitted GL 3400-Advance Collections. The DB3 Report does not initially reflect the GL 3400 amount. TC 756 to reduce GL 3500-Liabilities for Deposit to the unremitted amount. The DB3 Report initially reflects the total GL 3500 amount. TC 756 to reduce GL 3730-Uncleared Collections, to the unremitted amount. The DB3 Report initially reflects the total GL 3730 amount. |
| GL 6297 MUST BE RECLASSIFIED TO GL 1400 OR GL 3110 | This is the balance of GL 6297 from the G01 or G02 Reports with signs reversed. GL 6297 must be reclassified to GL 1400 or GL 3110. For information on reclassifying GL 6297, refer to Chapter III, section <i>Record Year-end PFA</i> . |

EXHIBIT IV-B-9 (Continued)
DB3 FUND LEVEL ACCRUALS PAGE WITH
OUT OF BALANCE SUBSIDIARIES

General ledger subsidiary balances do not reconcile to the document file subsidiaries

| CSTARDB3 9990 (DEST: AA SPEC) PY, ,0,0,0,0,0001, ***** FND(0001) GL(ALL)* | | | | ***** RUN:07/11/11 TIME:15:24 | |
|---|------|------|------------------------|-------------------------------|---------|
| PRIOR FISCAL YEAR: 2010 | | | | | |
| DEPARTMENT OF AIR QUALITY (9990) | | | | | |
| AUTOMATED SCO YEAR-END REPORT | | | | | |
| AS OF 06/30/11 | | | | | |
| | | | | PAGE 1 | |
| ***** FUND LEVEL ACCRUALS: ***** | | | | | |
| SCO ACCOUNT: | ORG | FUND | SUB-FD | | |
| | 9990 | 0001 | | | |
| CALSTARS: | ORG | SEC | FUND | FD-DTL | |
| | 9990 | | 0001 | | |
| ***** | | | | | |
| | | | GL ACCT/ SUBSIDIARY | GENERAL LEDGER AMOUNT | BALANCE |
| CURRENT YEAR ACCRUALS: | | | | | |
| | | | 1110 | 444,453.23 | |
| | | | 1130 | 31,639.49 | |
| | | | 1315 | 46,122.00 | |
| | | | 1319 | 550,633.29 | |
| | | | 1380 | 60,149.19 | |
| | | | 1400.0367 | 1,301,487.10 | |
| | | | 1400.0427 | 895.37 | |
| | | | 1400.0588 | 4,597,617.53 | |
| | | | 1420 | 5,900,000.00- | |
| | | | 1600.1315 | 46,122.00- | |
| | | | 1600.1319 | 550,633.29- | |
| | | | 1600.1380 | 60,149.19- | |
| | | | 3410 | 175,449.85- | |
| | | | 3730 | 269,003.38- | |
| | | | | | 0.00 |

Although no error messages are shown, subsidiary information is shown on the Fund Level Accruals page of the DB3 Report if the general ledger subsidiary balances do not reconcile to the document file subsidiaries. CALSTARS compares the general ledger subsidiary balances on the G02 or S01 Reports to the document file subsidiaries on the D09 or D10 Reports. The Fund Level Accruals page of the DB3 Report displays the difference between the two files:

| DB3 Report | GL Subsidiary | G02/S01 Report | D09/D10 Report | Differences shown on DB3 |
|------------|---------------|----------------|----------------|--------------------------|
| 1400.0367 | 1400 03670000 | 1,313,714.97 | 12,227.87 | 1,301,487.10 |
| 1400.0427 | 1400 04270000 | 240,054.33 | 239,158.96 | 895.37 |
| 1400.0588 | 1400 05880000 | 174,119,275.72 | 169,521,658.19 | 4,597,617.53 |
| 1420 | 1400 00010000 | 4,300,000.00 | 10,200,000.00 | -5,900,000.00 |

Determine the correct amount for each subsidiary and make the necessary adjustments to balance the G02/S01 report to the D09/10 report.

Resolve Edit Messages – Appropriation Adjustments and Accruals Section

Edit messages display on the lower left-hand side of the report and can be either fatal or warnings. Fatal edit messages create non-transmittable records. All fatal edit messages for the fund must be cleared before year-end data can be transmitted to the SCO. A listing of the edit messages and the corresponding explanations are displayed in Exhibit IV-B-10.

Warning edit messages will not prevent the fund's data from being transmitted to SCO; therefore, they only appear on DB3 Reports requested at **Blank** report period option. They should, however, be reviewed to determine if corrective action is needed.

Acceptable Warning Messages

Warning messages typically issued for the following conditions **do not** require any further action:

| Warning Messages | Condition |
|--------------------------------------|--|
| OUT OF BALANCE BY \$ _____ | Reverting appropriations when SCO posts entries to revert the funds as of June 30 and the department does not post the SCO RV reversion document in CALSTARS. See Exhibit IV-B-11 page 25. |
| | Prior year receipt accounts such as revenue, refunds to reverted appropriation and operating transfers-in containing a prior year accrual reversal. See Exhibit IV-B-11 (Continued) page 26 & 27. |
| | Revenue accounts containing a prior year accrual that was posted by SCO but no activity appears in the "Balance per CALSTARS" line of the DB3. This occurs when no new activity was recorded in CALSTARS during the year. See Exhibit IV-B-11 (Continued) page 28. |
| HAS SCO DATA; NO CALSTARS DATA FOUND | Expenditure appropriations containing a prior year accrual recorded by SCO but no activity appears in the "Balance per CALSTARS" line of the DB3. This occurs when the appropriation balance was fully expended (zero) in the prior year. No ending appropriation balance rolled forward during YEC and no new activity was recorded in CALSTARS during the year. See Exhibit IV-B-11 (Continued) page 29. |

Unacceptable Warning Messages

Warning messages on the following accounts are **not acceptable** and require further corrective action:

- ✪ Prior-prior year revenue.
- ✪ Prior-prior year refunds to reverted appropriations.
- ✪ Old CALSTARS accounts (no corresponding SCO account) with residual appropriation balances.
- ✪ Invalid Account Type 97 (ORF) records.

EXHIBIT IV-B-10
EDIT MESSAGES FOR APPROPRIATION ADJUSTMENTS AND ACCRUALS SECTION

| Edit Message | Edit Severity | Explanation/Action Required |
|--|---------------|--|
| OUT OF BALANCE BY \$_____ | Warning | The amount of the SCO Adjusted Balance and Balance per CALSTARS do not agree. This record will not stop the transmittal if the account has no accruals or adjustments, e.g., PY revenue or a reverting appropriation. |
| | Fatal | The amount of the SCO Adjusted Balance and Balance per CALSTARS do not agree. If the account has accruals or adjustments, this fund's data will not transmit until the problem is corrected. Review SCO reconciliations. Refer to the <i>Resolve Edit Messages – Appropriation and Accruals</i> section in this chapter. |
| APPROPRIATION IS OVER-EXPENDED | Warning | Budgetary expenditures exceed the appropriation budget. This record will not stop the transmittal if the account has no accruals or adjustments. |
| | Fatal | Budgetary expenditures exceed the appropriation budget or the Clearing Account is not zero. Review the SCO reconciliations. Refer to the <i>Resolve Edit Messages – Appropriation and Accruals</i> section in this chapter. |
| GL 1110 OR GL 1130 HAS ABNORMAL BALANCE | Fatal | GL 1110 and/or GL 1130 have credit (abnormal) balances. Make necessary corrections, if appropriate. If abnormal balance exists, year-end data for this fund cannot be electronically transmitted. |
| SUBSIDIARY NOT IN D32 TABLE | Warning | Review the Subsidiary for validity. Correct the transaction containing the invalid subsidiary or establish the subsidiary in the D32 Subsidiary Table. Ensure that valid subsidiaries are established in the D32 Subsidiary Table. For example, valid Subsidiaries for GL 1500 are 1510, 1540 and 1590. Refer to CPM Volume 1, Chapter V, General Ledger Account Structure for additional information. |
| SUBSIDIARY DOES NOT CONTAIN A VALID FUND PER D22 TABLE | Fatal | Review the Subsidiary for validity. Ensure that the fund is valid and established in the statewide D22 Fund Table. |
| GENERAL LEDGER NOT IN D31 TABLE | Fatal | Review the GL for validity. The GL must be included in the Uniform Codes Manual. Correct the transaction containing the invalid GL or contact the CALSTARS Hotline if a GL needs to be established in the statewide D31 GL Table. |
| GL 1600 REQUIRES SUBSIDIARY | Fatal | All amounts in GL 1600 must be reclassified using TC 593. |

EXHIBIT IV-B-10 (Continued)
EDIT MESSAGES FOR APPROPRIATION ADJUSTMENTS AND ACCRUALS SECTION

| Edit Message | Edit Severity | Explanation/Action Required |
|--|---------------|--|
| HAS CALSTARS DATA; NO SCO DATA FOUND | Warning | The SCO Account and the SCO Account Segment on the AS Table record are not in agreement, or No record has been established by SCO, or CALSTARS has appropriation balances not present on the SCO Agency Reconciliation Report, e.g., appropriation reversion not recorded in CALSTARS. Review the SCO Agency Reconciliation Report, the AS Table record, or the DB2 Report to confirm the account coding. |
| HAS SCO DATA; NO CALSTARS DATA FOUND | Warning | The SCO Account and the SCO Account Segment on the AS Table record are not in agreement, or No activity has been recorded in CALSTARS. Review the SCO Agency Reconciliation Report, the AS Table record, or the DB2 Report to confirm the coding of the account. |
| NO SCO ACCT SEGMENT ON AS TABLE | Warning | The CALSTARS SCO account segment on the AS Table is blank. This record will not stop the transmittal to SCO if the account has no accruals or adjustments. |
| | Fatal | The CALSTARS SCO account segment on the AS Table is blank. If the account has accruals or adjustments, the fund's data will not transmit until the problem is corrected. Review the AS Table record and add the SCO Account segment. |
| ENCUMBRANCES FOR GL/SUBSID EXCEEDS CY ACCRUALS FOR GL/SUBSID | Warning | Amounts entered with special automated year-end transactions – (TC 758 – 760) to report encumbrances funded by A/R reimbursements exceed the amount of the Encumbrances for GL 3010 line of the Appropriation Adjustments and Accruals page. TC 758 – 760 should be posted to the appropriations that incur reimbursable expenditures, never to the Clearing Account (Program 99) or to the Reimbursement account (Category 90). |

EXHIBIT IV-B-10 (Continued)
 EDIT MESSAGES FOR APPROPRIATION ADJUSTMENTS AND ACCRUALS SECTION

| Edit Message | Edit Severity | Explanation/Action Required |
|--|---------------|--|
| GL 6297 MUST BE RECLASSIFIED TO GL 1400 OR GL 3110 | Fatal | GL 6297 must be reclassified to GL 1400 or GL 3110. For information on reclassifying GL 6297, refer to Chapter III, section <i>Record Year-End PFA</i> . |
| ACCRUALS NOT ALLOWED IN A REVERTING APPROPRIATION | Fatal | Accruals cannot be reported in a reverting appropriation and must be reversed or liquidated. In certain circumstances, SCO may agree to open a reverting appropriation and pay an outstanding claim schedule in July. In those cases, GL 3020, Claims Filed may be reported in a reverting appropriation and a transmit authorization must be requested to override the fatal error. |

EXHIBIT IV-B-11 (Continued)

ACCEPTABLE WARNINGS ON THE APPROPRIATION ADJUSTMENT AND ACCRUALS PAGE (NO ACTION NEEDED)

Refunds to reverted appropriation with a prior year accrual reversal. The out-of-balance amount will be the prior year accrual.

```

CSTARDB3 9990 (DEST: AA SPEC) PY, ,0,0,0,0, ***** RUN:07/22/11 TIME:18:43
PRIOR FISCAL YEAR: 2010 ***** FND(ALL)* GL(ALL)*
                                DEPARTMENT OF AIR QUALITY (9990)
                                AUTOMATED SCO YEAR-END REPORT
                                AS OF 06/30/11
***** PAGE 6
APPROPRIATION ADJUSTMENTS AND ACCRUALS:
*****
SCO ACCOUNT:  ORG      FUND  SUB-FD  EY   REF   CAT      PGM  ELEM  COMP  TASK  REV-ACCT  AT  CT
                9990      0001             2009                0500000  R  Q

CALSTARS:     ORG  SEC  FUND  FD-DTL  EY   REF   CAT  OBJ  OD  PGM  ELEM  COMP  TASK  SOURCE  AT  FFY  APPN-SYM
                9990      0001             2009  980                570000  RR  2009  808
*****
                                GL ACCT/      BUDGET/ADJUST      RECEIPT/
                                SUBSIDIARY      ADVANCE      DISBURSEMENT      BALANCE

ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS:
REVERSE PY ADJUSTMENTS TO SCO
REVERSE PY ACCRUALS
APPLY: CURRENT YEAR ADJUSTMENTS TO SCO:
TOTAL ADJUSTMENTS
APPLY: CURRENT YEAR ACCRUALS:
TOTAL ACCRUALS
PENDING BUDGET REVISIONS
SCO ADJUSTED BALANCE
BALANCE PER CALSTARS

REPORT EDIT MESSAGE:
WARNING - OUT OF BALANCE BY $      2,612.28-
    
```


EXHIBIT IV-B-11 (Continued)
ACCEPTABLE WARNINGS ON THE APPROPRIATION ADJUSTMENT AND ACCRUALS PAGE (NO ACTION NEEDED)

Expenditure appropriation with a prior year accrual that was posted by SCO. The appropriation balance was zero as of 6/30/10 (last year-end). No amounts will show in the Balance per CALSTARS line since no ending appropriation balances rolled forward during YEC last year-end and no new activity was recorded in CALSTARS during the year.

```

CSTARDB3 9990 (DEST: AA SPEC) PY, ,0,0,0,0,          ***** RUN:07/22/11 TIME:18:43
PRIOR FISCAL YEAR: 2010          ***** FND(ALL)* GL(ALL)*
                                     DEPARTMENT OF AIR QUALITY (9990)
                                     AUTOMATED SCO YEAR-END REPORT
                                     AS OF 06/30/11
***** PAGE 19
APPROPRIATION ADJUSTMENTS AND ACCRUALS:
*****
SCO ACCOUNT:  ORG      FUND  SUB-FD  EY   REF   CAT      PGM  ELEM  COMP  TASK  REV-ACCT  AT  CT
              9990      0001          2009  501   CAT      50          COMP  TASK  REV-ACCT  AT  CT
              9990      0001          2009  501   CAT      50          COMP  TASK  REV-ACCT  AT  CT

CALSTARS:     ORG  SEC  FUND  FD-DTL  EY   REF   CAT  OBJ  OD  PGM  ELEM  COMP  TASK  SOURCE  AT  FFY  APPN-SYM
*****
              GL ACCT/      BUDGET/ADJUST      RECEIPT/
              SUBSIDIARY  ADVANCE      DISBURSEMENT      BALANCE
ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS:
REVERSE PY ADJUSTMENTS TO SCO
REVERSE PY ACCRUALS
APPLY: CURRENT YEAR ADJUSTMENTS TO SCO:
TOTAL ADJUSTMENTS
APPLY: CURRENT YEAR ACCRUALS:
TOTAL ACCRUALS
PENDING BUDGET REVISIONS
SCO ADJUSTED BALANCE
BALANCE PER CALSTARS

REPORT EDIT MESSAGE:
WARNING - HAS SCO DATA - NO CALSTARS DATA FOUND
    
```

Fatal Messages Requiring 'Transmit Authorization' Override

The DB3 Report may display fatal edit messages that cannot be resolved for the following types of accounts even though the accrual information is correct and the account is reconciled to SCO. These accounts require a 'Transmit Authorization' override of the fatal edit to allow transmission of the data to SCO:

- ✦ Fixed expenditure accounts or continuous appropriations that do not have a budget posted in the Budget/Adjust Column on the Agency Reconciliation Report. See Exhibit IV-B-12 page 31 and 32.
- ✦ Prior year receipt accounts such as revenue, refunds to reverted appropriation and operating transfers-in that contain both a prior year accrual reversal and a current year accrual. See Exhibit IV-B-12 pages 33 and 34.
- ✦ Reverted appropriations with an outstanding claims filed accrual. The outstanding claims filed accrual, GL 3020, may be recorded in a reverting appropriation if SCO agrees to open the appropriation and pay the claim schedule(s) in July. The SCO RV reversion document must be posted in CALSTARS. The ending SCO adjusted balances, the balance per CALSTARS and the over-expended amount will equal the outstanding claims filed accrual. See Exhibit IV-B-12 page 35.
NOTE: TC757 must also be entered by the agency. Refer to "Identify and Post Transaction Codes For Automated Year-end Reporting" section in this Chapter for more information.
- ✦ Expenditure appropriations with an Element 02 that is not a Distributed Administration appropriation. See Exhibit IV-B-12 page 36.

Departments with these types of fatal edit messages should contact the CALSTARS Hotline to discuss the account and request an override of the fatal edit. A copy of the DB3 Report and the SCO Tab Run displaying the account must be faxed to (916) 449-5723 or emailed to the CALSTARS Hotline at HOTLINE@dof.ca.gov for evaluation and approval of the override. Once approved, the DB3 Report can be ordered immediately to verify the override of the fatal edit message. The DB3 Report will reflect the override of the fatal edit as follows:

- ✦ The DB3 Report ordered at the **N** report option will no longer display the account containing the fatal edit message.
- ✦ The DB3 Report ordered at the **Blank** or **T** report option will display 'Warning' before the edit message and 'Transmit Authorized' after the edit message.
- ✦ The system generated CSYDB3-1 and CSYDB3-2 Reports received after successful transmission to SCO will display 'Warning' before the edit message and 'Transmit Authorized' after the edit message.

EXHIBIT IV-B-12
ACCEPTABLE TRANSMIT AUTHORIZATION OVERRIDES FOR FATAL DB3 ERRORS

Fixed Expenditure Account (no SCO Budget). Out-of-balance by the difference between the PY accrual and the CALSTARS appropriation (budget) amount that rolled forward from last year's YEC process.

SCO Tab Run for a fixed expenditure account displaying no SCO budget amount:

| | | | | | | | |
|---|--|------------------------------|---|--------------|-----------|--------------------------------|--|
| MAIL CODE: 9990 | | STATE CONTROLLERS OFFICE | | | | PAGE NO: 5512 | |
| REPORT NO: FC-320-01-P | | AGENCY RECONCILIATION REPORT | | | | PROCESS DATE: 06-30-2011 | |
| AGENCY: 9990 DEPARTMENT OF AIR QUALITY | | PERIOD ENDING 06-30-2011 | | | | | |
| FUND YR REF/ITM CATALOG CA PG EL COM TSK T SOURCE | | ACCT DATE ENACTMENT | | ENCUMBRANCE | | REVERSION | |
| DATE POSTING REF -----DESCRIPTION----- | | LAST ACT | | YEAR CHAPTER | | DATE | |
| | | BUDGET/ADJUSTMENTS | | ADVANCES | | EXPEND/REVENUE AVAIL/UNREALIZE | |
| 0275000 | 1990 506 | 20 | D | 06-16-2011 | 1 1604/90 | 1990 97-01-9999 97-01-9999 | |
| | ITEM DESC | PUBLIC AIR CODE SEC 999 | | | | 108,951.74 108,951.74 | |
| | | BEGIN BALANCE | | | | 4,006.89 4,006.89 | |
| | 06-16-2011 36-JEA0057127 PFA ACTUAL MAY 10 FY10/11 | ENDING BALANCE | | | | 112,958.63 112,958.63 | |

DB3 Report displaying a CALSTARS appropriation budget amount of \$759,204.74 that rolled from YEC in the prior year. The out-of-balance amount is the difference between the PY accrual and the CALSTARS appropriation budget amount.

| | | | | | | | | | | | | | | | |
|---|------|------|--------|--------|------|-----|------------|------|---------------|------|--------------|------|------------|-------------|---------------------|
| CSTARDB3 9990 (DEST: AA SPEC) PY, ,0,0,0,0, ***** RUN:07/22/11 TIME:06:00 | | | | | | | | | | | | | | | |
| PRIOR FISCAL YEAR: 2010 ***** FND(ALL)* GL(ALL)* | | | | | | | | | | | | | | | |
| DEPARTMENT OF AIR QUALITY (9990) | | | | | | | | | | | | | | | |
| AUTOMATED SCO YEAR-END REPORT | | | | | | | | | | | | | | | |
| AS OF 06/30/11 | | | | | | | | | | | | | | | |
| ***** PAGE | | | | | | | | | | | | | | 1 | |
| APPROPRIATION ADJUSTMENTS AND ACCRUALS: | | | | | | | | | | | | | | | |
| ***** | | | | | | | | | | | | | | | |
| SCO ACCOUNT: | ORG | FUND | SUB-FD | EY | REF | CAT | PGM | ELEM | COMP | TASK | REV-ACCT | AT | CT | | |
| | 9990 | 0275 | | 1990 | 506 | | 20 | | | | | D | C | | |
| CALSTARS: | ORG | SEC | FUND | FD-DTL | EY | REF | CAT | OBJ | OD | PGM | ELEM | COMP | TASK | SOURCE | |
| | 9990 | | 0275 | | 1990 | 506 | | | | 20 | | | | 00 | |
| | 9990 | | 0275 | | 1990 | 506 | | | | 20 | | | | 00 | |
| ***** | | | | | | | | | | | | | | | |
| | | | | | | | GL ACCT/ | | | | | | | | |
| | | | | | | | SUBSIDIARY | | BUDGET/ADJUST | | RECEIPT/ | | | BALANCE | |
| | | | | | | | | | ADVANCE | | DISBURSEMENT | | | | |
| ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS: | | | | | | | | | | | 0.00 | | 112,958.63 | 112,958.63 | |
| REVERSE PY ADJUSTMENTS TO SCO | | | | | | | | | | | 0.00 | | 0.00 | 0.00 | |
| REVERSE PY ACCRUALS | | | | | | | | | | | 6.41 | | 6.41- | 0.00 | |
| APPLY: CURRENT YEAR ADJUSTMENTS TO SCO: | | | | | | | | | | | | | | | |
| TOTAL ADJUSTMENTS | | | | | | | | | | | 0.00 | | 0.00 | 0.00 | |
| APPLY: CURRENT YEAR ACCRUALS: | | | | | | | | | | | | | | | |
| ACCOUNTS PAYABLE | | | | | | | 3010 | | | | 0.00 | | 762.33 | 762.33 | |
| DUE TO OTHER FUNDS | | | | | | | 3114.0133 | | | | 0.00 | | 1,730.91 | 1,730.91 | |
| TOTAL ACCRUALS | | | | | | | | | | | 0.00 | | 2,493.24 | 2,493.24 | |
| PENDING BUDGET REVISIONS | | | | | | | | | | | 0.00 | | 0.00 | 0.00 | |
| SCO ADJUSTED BALANCE | | | | | | | | | | | 6.41 | | 115,445.46 | 115,451.87 | |
| BALANCE PER CALSTARS | | | | | | | | | | | 759,204.74 | | 115,445.46 | 874,650.20 | |
| ENCUMBRANCES | | | | | | | 3010 | | | | 0.00 | | 762.33 | 0.00 | |
| REPORT EDIT MESSAGE: | | | | | | | | | | | | | | | |
| WARNING - APPROPRIATION IS OVER-EXPENDED - TRANSMIT AUTHORIZED | | | | | | | | | | | | | | | |
| WARNING - OUT OF BALANCE BY \$ | | | | | | | | | | | | | | 759,198.33- | TRANSMIT AUTHORIZED |

EXHIBIT IV-B-12 (Continued)
ACCEPTABLE TRANSMIT AUTHORIZATION OVERRIDES FOR FATAL DB3 ERRORS

Fixed Expenditure Account (no SCO Budget). The CALSTARS appropriation budget amount that rolled forward from last year's YEC process was reversed by the agency. The out-of-balance amount is the prior year accrual amount.

SCO Tab Run for a fixed expenditure account displaying no SCO budget amount:

| MAIL CODE: 9990 | | STATE CONTROLLERS OFFICE | | | | | | PAGE NO: 7090 | | | | | | | | | | | | |
|--|------------|------------------------------|------------|---------------------------------|----|----|-----|--------------------------|---|-----------|------|--------------------|-----------|----------------|-----------------|---------|--------------|------------|--------------|--------------|
| REPORT NO: FC-320-01-P | | AGENCY RECONCILIATION REPORT | | | | | | PROCESS DATE: 06-30-2011 | | | | | | | | | | | | |
| AGENCY: 9990 DEPARTMENT OF AIR QUALITY | | PERIOD ENDING 06-30-2011 | | | | | | | | | | | | | | | | | | |
| FUND | YR | REF/ITM | CATALOG | CA | PG | EL | COM | TSK | T | SOURCE | ACCT | DATE | ENACTMENT | ENCUMBRANCE | REVERSION | | | | | |
| DATE | | POSTING | REF | -----DESCRIPTION----- | | | | | | | | | LAST ACT | YEAR | CHAPTER | STATUTE | AVAIL. DATE | DATE | | |
| | | | | | | | | | | | | BUDGET/ADJUSTMENTS | ADVANCES | EXPEND/REVENUE | AVAIL/UNREALIZE | | | | | |
| 0100000 | 1991 | 507 | | | | | | | | D | | 06-26-2011 | | | | | | | | |
| | | ITEM DESC | | CH. 817/91 | | | | | | SEC. A(1) | | | | 1 | 817/91 | 1991 | 97-01-9999 | 97-01-9999 | | |
| | | | | SEC A(1) AIR QUALITY INCENTIVES | | | | | | | | | | | | | | | | |
| | | | | BEGIN BALANCE | | | | | | | | | | | | | 3,153,004.89 | | 3,153,004.89 | |
| | 06-04-2011 | | 50-U070202 | | | | | | | | | | | | | | | | 343,335.20 | 343,335.20 |
| | 06-05-2011 | | 50-U070200 | | | | | | | | | | | | | | | | 39,904.64 | 39,904.64 |
| | 06-26-2011 | | 50-U070226 | | | | | | | | | | | | | | | | 29,647.20 | 29,647.20 |
| | 06-26-2011 | | 50-U070229 | | | | | | | | | | | | | | | | 18,620.32 | 18,620.32 |
| | | | | ENDING BALANCE | | | | | | | | | | | | | | | 3,584,512.25 | 3,584,512.25 |

DB3 Report does not display a CALSTARS budget amount. The appropriation budget amount that rolled forward from YEC in the prior year was reversed out during the current year to match with SCO records for SCO reconciliation purposes. The out-of-balance amount is the amount of the PY accrual.

| | | | | | | | | | | | | | | | | | | |
|---|------|------|--------|--------|------|------------------------|-----|------|--------------------------|------|----------|--------------------------|------|-----------------------|----|------|----------|--|
| CSTARDB3 9990 (DEST: AA SPEC) PY, ,0,0,0,0, ***** RUN:07/22/11 TIME:18:43 | | | | | | | | | | | | | | | | | | |
| PRIOR FISCAL YEAR: 2010 ***** FND(ALL)* GL(ALL)* | | | | | | | | | | | | | | | | | | |
| DEPARTMENT OF AIR QUALITY (9990) | | | | | | | | | | | | | | | | | | |
| AUTOMATED SCO YEAR-END REPORT | | | | | | | | | | | | | | | | | | |
| AS OF 06/30/11 | | | | | | | | | | | | | | | | | | |
| ***** PAGE | | | | | | | | | | | | | | 1 | | | | |
| APPROPRIATION ADJUSTMENTS AND ACCRUALS: | | | | | | | | | | | | | | | | | | |
| ***** | | | | | | | | | | | | | | | | | | |
| SCO ACCOUNT: | ORG | FUND | SUB-FD | EY | REF | CAT | PGM | ELEM | COMP | TASK | REV-ACCT | AT | CT | | | | | |
| | 9990 | 0100 | | 1991 | 507 | | | | | | | D | C | | | | | |
| CALSTARS: | ORG | SEC | FUND | FD-DTL | EY | REF | CAT | OBJ | OD | PGM | ELEM | COMP | TASK | SOURCE | AT | FFY | APPN-SYM | |
| | 9990 | | 0100 | | 1991 | 507 | | | | | | | | | 00 | 2010 | 511 | |
| | 9990 | | 0100 | | 1991 | 507 | | | | | | | | | 00 | 2009 | 511 | |
| ***** | | | | | | | | | | | | | | | | | | |
| | | | | | | GL ACCT/ SUBSIDIARY | | | BUDGET/ADJUST ADVANCE | | | RECEIPT/ DISBURSEMENT | | BALANCE | | | | |
| ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS: | | | | | | | | | 0.00 | | | 3,584,512.25 | | 3,584,512.25 | | | | |
| REVERSE PY ADJUSTMENTS TO SCO | | | | | | | | | 0.00 | | | 0.00 | | 0.00 | | | | |
| REVERSE PY ACCRUALS | | | | | | | | | 980,107.44 | | | 980,107.44- | | 0.00 | | | | |
| APPLY: CURRENT YEAR ADJUSTMENTS TO SCO: | | | | | | | | | | | | | | | | | | |
| TOTAL ADJUSTMENTS | | | | | | | | | 0.00 | | | 0.00 | | 0.00 | | | | |
| APPLY: CURRENT YEAR ACCRUALS: | | | | | | | | | | | | | | | | | | |
| ACCOUNTS PAYABLE | | | | | | 3010 | | | 0.00 | | | 1,013,029.35 | | 1,013,029.35 | | | | |
| CLAIMS FILED | | | | | | 3020 | | | 0.00 | | | 197,035.84 | | 197,035.84 | | | | |
| TOTAL ACCRUALS | | | | | | | | | 0.00 | | | 1,210,065.19 | | 1,210,065.19 | | | | |
| PENDING BUDGET REVISIONS | | | | | | | | | 0.00 | | | 0.00 | | 0.00 | | | | |
| SCO ADJUSTED BALANCE | | | | | | | | | 980,107.44 | | | 3,814,470.00 | | 4,794,577.44 | | | | |
| BALANCE PER CALSTARS | | | | | | | | | 0.00 | | | 3,814,470.00 | | 3,814,470.00 | | | | |
| REPORT EDIT MESSAGE: | | | | | | | | | | | | | | | | | | |
| WARNING - OUT OF BALANCE BY \$ | | | | | | | | | 980,107.44 | | | | | - TRANSMIT AUTHORIZED | | | | |

EXHIBIT IV-B-12 (Continued)
ACCEPTABLE TRANSMIT AUTHORIZATION OVERRIDES FOR FATAL DB3 ERRORS

Prior year revenue account with a prior year accrual reversal and a GL 1110-General Cash accrual. The appropriation will be out-of-balance by the prior year accrual amount.

```

CSTARDB3 9990 (DEST: AA SPEC) PY, ,0,1,0,0, ***** RUN:07/22/11 TIME:18:43
PRIOR FISCAL YEAR: 2010 ***** FND(ALL)* GL(ALL)*
                                DEPARTMENT OF AIR QUALITY (9990)
                                AUTOMATED SCO YEAR-END REPORT
                                AS OF 06/30/11
***** PAGE 3
APPROPRIATION ADJUSTMENTS AND ACCRUALS:
*****
SCO ACCT:ORG      FUND SFD  ENY  REF   CAT      PG-EL-CMP-TSK  REV-ACCT  AT  CT
              9990      0001      2009
CALSTARS:ORG  SEC  FUND FD  ENY  REF   C-OB-DTL  PG-EL-CMP-TSK  SOURCE AT  FFY  AS
              9990      0001      2009  980
                                121200  R  Q
                                121200  RR  2009  876  GENERAL FUND REVENUE
*****
                                GL ACCT/      BUDGET/ADJUST      RECEIPT/
                                SUBSIDIARY      ADVANCE      DISBURSEMENT      BALANCE
ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS:
REVERSE PY ADJUSTMENTS TO SCO
REVERSE PY ACCRUALS
APPLY: CURRENT YEAR ADJUSTMENTS TO SCO:
TOTAL ADJUSTMENTS
APPLY: CURRENT YEAR ACCRUALS:
GENERAL CASH
TOTAL ACCRUALS
PENDING BUDGET REVISIONS
SCO ADJUSTED BALANCE
BALANCE PER CALSTARS
REPORT EDIT MESSAGE:
WARNING - OUT OF BALANCE BY $

```

| | GL ACCT/ SUBSIDIARY | BUDGET/ADJUST ADVANCE | RECEIPT/ DISBURSEMENT | BALANCE |
|--|------------------------|---------------------------------|--------------------------|-----------|
| ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS: | | 0.00 | 5,220.86- | 5,220.86- |
| REVERSE PY ADJUSTMENTS TO SCO | | 0.00 | 0.00 | 0.00 |
| REVERSE PY ACCRUALS | | 4,439.69- | 4,439.69 | 0.00 |
| APPLY: CURRENT YEAR ADJUSTMENTS TO SCO: | | | | |
| TOTAL ADJUSTMENTS | | 0.00 | 0.00 | 0.00 |
| APPLY: CURRENT YEAR ACCRUALS: | | | | |
| GENERAL CASH | *1110 | 0.00 | 1,587.09- | 1,587.09- |
| TOTAL ACCRUALS | | 0.00 | 1,587.09- | 1,587.09- |
| PENDING BUDGET REVISIONS | | 0.00 | 0.00 | 0.00 |
| SCO ADJUSTED BALANCE | | 4,439.69- | 2,368.26- | 6,807.95- |
| BALANCE PER CALSTARS | | 0.00 | 2,368.26 | 2,368.26- |
| REPORT EDIT MESSAGE: | | | | |
| WARNING - OUT OF BALANCE BY \$ | | 4,439.69- - TRANSMIT AUTHORIZED | | |

***NOTE:** GL 1110-General Cash should be the only type of accrual recorded in prior year Revenue accounts. The only exception is for revenue source code 161000- Escheat or Unclaimed Checks, Warrants, Bonds, Coupons which may also have GL 3020-Claims Filed recorded as an accrual.

ORDER AND REVIEW FINAL DB3 REPORT

After the automated year-end transaction codes are posted, request the DB3 Report (**N** report period option) to confirm there are no remaining fatal edit messages. If there are no fatal edit messages, departments will receive a one page null report.

Order and thoroughly review a final DB3 Report (**Blank** report period option) to ensure that:

- ✧ Abnormal GL account balances have been reviewed and verified.
NOTE: Only abnormal balances in GL 1110 or GL 1130 will result in non-transmittable records.
- ✧ All subsidiaries contain valid UCM Fund codes or General Ledger Account codes.
- ✧ Prepayments to ARF (GL 1730, Subsidiary 0602) and Reserve for Prepayment to ARF (GL 5330, Subsidiary 0602) agree with the G02 Report.
- ✧ Prepayments to Service Revolving Fund (GL 1730, Subsidiary 0666) and Prepayments to State Compensation Insurance Fund (GL 1730, Subsidiary 0512) are not included.
- ✧ The Fund Level Accruals page does not display GL 14XX, GL 3010, or GL 31XX (except Sales Tax and Interfund Loans).
- ✧ Adjustments to SCO appropriation and other detail accounts are displayed with the same sign as displayed on the SCO/CALSTARS appropriation reconciliation (GL 1400 is a "-" or negative; GL 3110 is a positive).
- ✧ Adjustments to SCO agree with supporting Transaction Request forms.
- ✧ Pending Budget Revisions/Executive Orders are included on the Pending Budget Revisions line in the "Balance" column.
- ✧ The amount of encumbrances Funded By Reimbursements does not exceed the amount of Encumbrances for each detail appropriation.

Exhibit IV-B-22 displays a complete DB3 Report after the automated year-end TCs are posted and fatal edits are corrected. The financial information displayed on the DB3 Report ties to the manually prepared statements displayed in Chapter IV-A.

COMPLETE SECTION 2 OF THE AUTOMATED YEAR-END REPORT CHECKLIST.

REVIEW AND PREPARE REMAINING YEAR-END REPORTS

After the DB3 Reports are verified as correct and no fatal edit messages are displayed, complete the remaining year-end reports as follows:

Request the following CALSTARS reports:

- ✪ Beginning with reporting year ending June 30, 2010, agencies are required to identify the agency involved in each Due To/From Other Fund transaction. For each amount posted to GL accounts 1410 and 3114, please provide the 4 digit org code and agency name related to the accrual. This information can be submitted to SCO via a separate spreadsheet, along with the Report No. 1. See Chapter IV-A, Exhibit IV-A-3, page 16.
- ✪ Report No. 4, Final Statement of Revenue - Q26. Departments must complete the Reconciliation of State Controller's Revenue with Statement of Revenue section. Current year revenue amounts should equal the DB3. Refer to Chapter IV-A, *Report No. 4 Statement of Revenue* section for further information.
- ✪ Report No. 6, Final Budget Report - B06.
 - Appropriation Balance should not be overspent. Refer to Chapter IV-A, *Report No. 6 Final Budget Report* section for further information.
- ✪ Reports No. 7 and 8, Pre-Closing and Post-Closing Trial Balance - G02.
 - Review that all the General Ledgers have a normal balance.
 - Only abnormal balances in GL 1110 or GL 1130 will result in non-transmittable records.
 - Prepayments to ARF (GL 1730, Subsidiary 0602) and Reserve for Prepayment to ARF (GL 5330, Subsidiary 0602) agree with the G02 Report.
 - Review all subsidiaries contain valid UCM Fund codes or General Ledger Account codes on the Subsidiary on File Report.
 - Refer to Chapter IV-A, *Report No. 7 Pre-Closing Trial Balance and Report No. 8 Post-Closing Trial Balance* section for further information.
- ✪ Reports No. 18 and 19, Statement of Changes in Capital Assets and Statement of Capital Assets G05.
 - Refer to Chapter IV-A, *Report No. 18-Statement Of Changes In Capital Assets* and *Report No. 19-Statement Of Capital Assets* section for further information.

Prepare the following reports:

- ✪ Report No. 14 - Report of Bank and/or Savings and Loan Association Accounts Outside State Treasury.
 - Refer to Chapter IV-A, *Report No. 14 Report of Accounts Outside The Treasury System* section for further information.

- ✦ Report No. 22 – Statement of Contingent Liabilities, if applicable.

-Refer to Chapter IV-A, *Report No. 22 Statement of Contingent Liabilities* section for further information.

NOTE: First year participating departments are required to prepare Reports No. 1, 2, 3, 5, and 15. Reports No. 1, 3, and 5 are submitted to the SCO. Reports No. 2 and 15 must be retained by the department for potential questions by the SCO.

COMPLETE SECTION 3 OF THE AUTOMATED YEAR-END REPORT CHECKLIST.

After the additional reports are prepared, it is time to transmit the records to the SCO.

REQUEST THE TRANSMITTAL OF FUND RECORDS TO THE SCO

Beginning in early July, the **F.2** SCO Year-End Data Transfer screen will display a listing of each department's eligible Governmental Cost Funds. Departments select individual funds to transmit to the SCO. One or more funds can be selected on any processing day; however, CALSTARS does not transmit automated year-end data to the SCO on Saturdays. Year-end data is transmitted to the SCO after the CALSTARS nightly batch process updates table maintenance entries, financial transactions and error file corrections.

The last day to transmit automated year-end data is August 19, 2009. Refer to the table for transmit and report package submission dates:

| Fund Type | Transmit Date | Earliest Report Package Submission Date to SCO | SCO Year-End Financial Reporting Deadline | Reports On Time to SCO? |
|---|---|--|---|---|
| General Fund, Feeder Funds (0081, 0084-0086, 0089-0091, 0094, 0097), Economic Uncertainty Funds (0374, 0375, 0377), Budget Stabilization Account | July 29 or earlier | August 1 or earlier | August 1 | Yes , if report package received by SCO on August 1 |
| | August 1 through August 19 | August 2 through August 22 | August 1 | No , report package is submitted to SCO after the August 1 deadline |
| | Prepare manual statements after August 19 | After August 22 | August 1 | No , report package is submitted to SCO after the August 1 deadline |
| All Other Funds | August 19 or earlier | August 22 or earlier | August 22 | Yes , if report package received by SCO on August 22 |
| | Prepare manual statements after August 19 | After August 22 | August 22 | No , report package is submitted to SCO after the August 22 deadline |

NOTE: CALSTARS does not transmit automated year-end data to the SCO on Saturdays.

GL Account Verification pages are not created for the CSYDB3-X system generated reports.

If the "Data not sent to SCO due to errors" message is displayed on the **F.2** screen, the following report is generated:

CSYDB3-3 Automated SCO Year-End Report - Exceptions

The CSYDB3-3 Report shows the records that caused the fund to be non-transmittable and displays the report edit message(s) to assist with making adjustments/corrections. One non-transmittable adjustment or accrual record in a fund prevents the entire fund from transmitting successfully. Departments can make adjustments/corrections to the fund and select the fund for transmittal on another day.

Examples of the CSYDB3-1, CSYDB3-2, and CSYDB3-3 Reports for both Fund Level Accruals and Appropriation Adjustments and Accruals sections are shown in Exhibits IV-B-13 through IV-B-18.

EXHIBIT IV-B-13
 CSYDB3-1 CALSTARS AUTOMATED SCO YEAR-END REPORT – FINAL REPORT
 FUND LEVEL ACCRUALS SECTION
 SYSTEM GENERATED DB3 REPORT AFTER TRANSMISSION TO SCO

CSYDB3-1 9990 (DEST: AA SPEC) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS AUTOMATED SCO YEAR-END REPORT - FINAL REPORT ORG PAGE: 1
 07/28/2011 (18:17) ***** RUN PAGE: 1

FUND LEVEL ACCRUALS:

SCO ACCOUNT: ORG FUND SUB-FD
 9990 0001

CALSTARS: ORG SEC FUND FD-DTL
 9990 0001

| | GL ACCT/ SUBSIDIARY | GENERAL LEDGER AMOUNT | BALANCE |
|---|------------------------|--------------------------|---------|
| CURRENT YEAR ACCRUALS: | | | |
| GENERAL CASH | 1110 | 314,885.48 | |
| REVOLVING FUND CASH | 1130 | 26,364.03 | |
| ACCOUNTS RECEIVABLE OTHER | 1319 | 920,279.57 | |
| PROVISION FOR DEFERRED REC / A/R - OTHER | 1600.1319 | 920,279.57- | |
| PREPAYMENT TO ARCHITECTURE REVOLVING FUND | 1730.0602 | 28,000.00 | |
| DUE TO OTHER FUNDS | 3114.0094 | 644.00- | |
| REIMBURSEMENTS COLLECTED IN ADVANCE | 3420 | 120,436.00- | |
| UNCLEARED COLLECTIONS | 3730 | 193,805.48- | |
| RESERVE FOR PREPAID ITEMS | 5330.0602 | 28,000.00- | |
| TOTAL ACCRUALS LESS REVOLVING FUND | | | 0.00 |

EXHIBIT IV-B-14
 CSYDB3-1 CALSTARS AUTOMATED SCO YEAR-END REPORT – FINAL REPORT
 APPROPRIATION ADJUSTMENTS AND ACCRUALS SECTION
 SYSTEM GENERATED DB3 REPORT AFTER TRANSMISSION TO SCO

CSYDB3-1 9990 (DEST: AA SPEC) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS AUTOMATED SCO YEAR-END REPORT - FINAL REPORT ORG PAGE: 15
 07/28/2011 (18:17) ***** RUN PAGE: 14

APPROPRIATION ADJUSTMENTS AND ACCRUALS:

 SCO ACCOUNT: ORG FUND SUB-FD EY REF CAT PGM ELEM COMP TASK REV-ACCT AT CT
 9990 0001 2010 001 10 10
 CALSTARS: ORG SEC FUND FD-DTL EY REF CAT OBJ OD PGM ELEM COMP TASK SOURCE AT FFY APPN-SYM
 9990 0001 2010 001 10 00 2010 100

| | GL ACCT/ SUBSIDIARY | BUDGET/ADJUST ADVANCE | RECEIPT/ DISBURSEMENT | BALANCE |
|--|------------------------|--------------------------|--------------------------|---------------|
| ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS: | | 23,303,658.00- | 14,862,525.39 | 8,441,132.61- |
| REVERSE PY ADJUSTMENTS TO SCO | | 0.00 | 0.00 | 0.00 |
| REVERSE PY ACCRUALS | | 0.00 | 0.00 | 0.00 |
| APPLY: CURRENT YEAR ADJUSTMENTS TO SCO: | | | | |
| DUE TO OTHER FUNDS | 3114.0890 | 0.00 | 2,963.00 | 2,963.00 |
| TOTAL ADJUSTMENTS | | 0.00 | 2,963.00 | 2,963.00 |
| APPLY: CURRENT YEAR ACCRUALS: | | | | |
| ACCOUNTS PAYABLE | 3010 | 0.00 | 1,267,070.53 | 1,267,070.53 |
| DUE TO OTHER APPNS | 3115 | 0.00 | 1,385,729.73 | 1,385,729.73 |
| TOTAL ACCRUALS | | 0.00 | 2,652,800.26 | 2,652,800.26 |
| PENDING BUDGET REVISIONS | | 0.00 | 0.00 | 0.00 |
| SCO ADJUSTED BALANCE | | 23,303,658.00- | 17,518,288.65 | 5,785,369.35- |
| BALANCE PER CALSTARS | | 23,303,658.00- | 17,518,288.65 | 5,785,369.35- |
| | | | | |
| FUNDED BY REIMBURSEMENTS | 1420 | 0.00 | 90,250.00- | 0.00 |
| ENCUMBRANCES | 3010 | 0.00 | 1,267,070.53 | 0.00 |

EXHIBIT IV-B-15
 CSYDB3-2 CALSTARS TRANSMITTED SCO YEAR-END REPORT – FINAL REPORT
 FUND LEVEL ACCRUALS SECTION
 SYSTEM GENERATED DB3 REPORT AFTER TRANSMISSION TO SCO

CSYDB3-2 9990 (DEST: AA SPEC) ***** DEPARTMENT OF AIR QUALITY *****
 CALSTARS TRANSMITTED SCO YEAR-END REPORT - FINAL REPORT
 07/28/2011 (18:17) *****
 FUND LEVEL ACCRUALS:

ORG NUMBER: 9990
 ORG PAGE: 1
 RUN PAGE: 1

SCO ACCOUNT: ORG FUND SUB-FD
 9990 0001

CALSTARS: ORG SEC FUND FD-DTL
 9990 0001

| | GL ACCT/ SUBSIDIARY | GENERAL LEDGER AMOUNT | BALANCE |
|---|------------------------|--------------------------|---------|
| CURRENT YEAR ACCRUALS: | | | |
| GENERAL CASH | 1110 | 314,885.48 | |
| REVOLVING FUND CASH | 1130 | 26,364.03 | |
| ACCOUNTS RECEIVABLE OTHER | 1319 | 920,279.57 | |
| PROVISION FOR DEFERRED REC / A/R - OTHER | 1600.1319 | 920,279.57- | |
| PREPAYMENT TO ARCHITECTURE REVOLVING FUND | 1730.0602 | 28,000.00 | |
| DUE TO OTHER FUNDS | 3114.0094 | 644.00- | |
| REIMBURSEMENTS COLLECTED IN ADVANCE | 3420 | 120,436.00- | |
| UNCLEARED COLLECTIONS | 3730 | 193,805.48- | |
| RESERVE FOR PREPAID ITEMS | 5330.0602 | 28,000.00- | |
| TOTAL ACCRUALS LESS REVOLVING FUND | | | 0.00 |

EXHIBIT IV-B-16
 CSYDB3-2 CALSTARS TRANSMITTED SCO YEAR-END REPORT – FINAL REPORT
 APPROPRIATION ADJUSTMENTS AND ACCRUALS SECTION
 SYSTEM GENERATED DB3 REPORT AFTER TRANSMISSION TO SCO

CSYDB3-2 9990 (DEST: AA SPEC) ***** DEPARTMENT OF AIR QUALITY ***** ORG NUMBER: 9990
 CALSTARS TRANSMITTED SCO YEAR-END REPORT - FINAL REPORT ORG PAGE: 15
 07/28/2011 (18:17) ***** RUN PAGE: 14

APPROPRIATION ADJUSTMENTS AND ACCRUALS:

 SCO ACCOUNT: ORG FUND SUB-FD EY REF CAT PGM ELEM COMP TASK REV-ACCT AT CT
 9990 0001 2010 001 10 10
 CALSTARS: ORG SEC FUND FD-DTL EY REF CAT OBJ OD PGM ELEM COMP TASK SOURCE AT FFY APPN-SYM
 9990 0001 2010 001 10 00 2010 100

| | GL ACCT/ SUBSIDIARY | BUDGET/ADJUST ADVANCE | RECEIPT/ DISBURSEMENT | BALANCE |
|--|------------------------|--------------------------|--------------------------|---------------|
| ACCOUNT BALANCE PER STATE CONTROLLER'S OFFICE RECORDS: | | 23,303,658.00- | 14,862,525.39 | 8,441,132.61- |
| REVERSE PY ADJUSTMENTS TO SCO | | 0.00 | 0.00 | 0.00 |
| REVERSE PY ACCRUALS | | 0.00 | 0.00 | 0.00 |
| APPLY: CURRENT YEAR ADJUSTMENTS TO SCO: | | | | |
| DUE TO OTHER FUNDS | 3114.0890 | 0.00 | 2,963.00 | 2,963.00 |
| TOTAL ADJUSTMENTS | | 0.00 | 2,963.00 | 2,963.00 |
| APPLY: CURRENT YEAR ACCRUALS: | | | | |
| ACCOUNTS PAYABLE | 3010 | 0.00 | 1,267,070.53 | 1,267,070.53 |
| DUE TO OTHER APPNS | 3115 | 0.00 | 1,385,729.73 | 1,385,729.73 |
| TOTAL ACCRUALS | | 0.00 | 2,652,800.26 | 2,652,800.26 |
| PENDING BUDGET REVISIONS | | 0.00 | 0.00 | 0.00 |
| SCO ADJUSTED BALANCE | | 23,303,658.00- | 17,518,288.65 | 5,785,369.35- |
| BALANCE PER CALSTARS | | 23,303,658.00- | 17,518,288.65 | 5,785,369.35- |
| | | | | |
| FUNDED BY REIMBURSEMENTS | 1420 | 0.00 | 90,250.00- | 0.00 |
| ENCUMBRANCES | 3010 | 0.00 | 1,267,070.53 | 0.00 |

EXHIBIT IV-B-17
 CSYDB3-3 CALSTARS AUTOMATED SCO YEAR-END REPORT – EXCEPTION REPORT
 FUND LEVEL ACCRUALS SECTION
 SYSTEM GENERATED DB3 REPORT AFTER ATTEMPTED TRANSMISSION TO SCO

```

CSYDB3-3 *****
                                CALSTARS          DEPARTMENT OF AIR QUALITY          *****
                                CALSTARS          AUTOMATED SCO YEAR-END REPORT - EXCEPTION  REPORT          ORG NUMBER:  9990
07/20/2011 (18:17) *****          ORG PAGE: 13
                                FUND LEVEL ACCRUALS          RUN PAGE: 1
*****
SCO ACCOUNT:  ORG      FUND  SUB-FD
                9990      0321

CALSTARS:     ORG  SEC  FUND  SUB-FD
                9990      0321
*****

                                GL ACCT/          GENERAL LEDGER
                                SUBSIDIARY          AMOUNT          BALANCE

CURRENT YEAR ACCRUALS:
GENERAL CASH, REMITTANCE IN TRANSIT          1110          3.15
TOTAL ACCRUALS LESS REVOLVING FUND          3.15

REPORT EDIT MESSAGE:
FATAL - FUND LEVEL ACCRUALS NOT BALANCED
  
```


PREPARE CERTIFICATION LETTER AND ASSEMBLE FINAL YEAR-END PACKAGE

Prepare the year-end certification letter. A separate certification letter is required for each fund submitted. Examples of the automated year-end certification letters are displayed in Exhibit IV-B-19 for ongoing participants and in Exhibit IV-B-20 for first year participants.

Annotate any adjustments to SCO displayed on the CSYDB3-1 Report and cross reference to the supporting Transaction Request(s).

Assemble the final year-end package including the certification letter, CSYDB3-1 Report, the remaining required reports, and supporting documentation (pending Budget Revisions/Executive Orders, Transaction Requests for Adjustment to SCO, Due To and Due From Supplementary Information Form, or other applicable supporting documents.) Exhibit IV-B-21 displays the required year-end statements when using the automated process for both the first year participants and ongoing participants.

Sign and date certification letter. Make all necessary copies. Retain the CSYDB3-2 Report with a copy of the final year-end package.

COMPLETE SECTION 4 OF THE AUTOMATED YEAR-END REPORT CHECKLIST.

Submit the completed package to the SCO by the year-end financial statement due dates. Note the date the package is sent to the SCO on the cover page of the Automated Year-End Report Checklist.

YEAR-END FINANCIAL STATEMENT DUE DATES

The year-end financial statement due dates apply to receipt of the year-end package by the SCO rather than the date of the electronic transmittal of the adjustments and accruals for the fund. Year-end packages can be submitted after the report deadlines; however, the SCO will **not** accept late electronic transmittals. Departments must transmit automated year-end data to the SCO at least one day **before** the mid-August year-end statement due date for all funds other than the General Fund, Feeder Funds, and Economic Uncertainty Funds. Refer to the chart displaying specific transmit and due dates in section *Request the Transmittal of Fund Records*.

REVISIONS TO THE AUTOMATED YEAR-END FINANCIAL STATEMENTS

A successful transmittal of the automated year-end statements may only be sent once. If a revision to the year-end statements is required, the revised statements must be prepared manually with the SCO's Forms 571E and 571F. Refer to Chapter IV-A, *Revisions to Reports* section for instructions and additional information regarding these forms.

EXHIBIT IV-B-19
CERTIFICATION LETTER
ONGOING PARTICIPANTS (NOT FIRST YEAR)

State of California
M e m o r a n d u m

Date : August 1, 2011

To: State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816 B-8

From: Department of Air Quality (9990)
102 North Street
Sacramento, CA 95814
I.M. King, Director, IMKing@daq.ca.gov
U.R. Dunne, Chief of Accounting, URDunne@daq.ca.gov

Subject : CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The Department of Air Quality (Org 9990) is a participant in CALSTARS Auto Year-End. Year -end accruals and adjustments were transmitted to your office on 7/28/11 for Fund 0001. The CSYDB3-1 Report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.

The following financial reports for the fiscal year-end June 30, 2011, are enclosed:

GENERAL FUND (0001)

| <u>Report No.</u> | <u>Description</u> |
|-------------------|---|
| CSYDB3-1 | Automated SCO Year-End Report – Final |
| 3 | Adjustments to Controller's Accounts (annotated back-up only) |
| 4 | Statement of Revenue |
| 6 | Final Budget Report |
| 7 | Pre-Closing Trial Balance |
| 8 | Post-Closing Trial Balance |

SPECIAL REPORTS

| <u>Report No.</u> | <u>Description</u> |
|-------------------|--|
| 14 | Bank and/or Savings and Loan Association Accounts Outside the State Treasury System – none to report |
| 18 | Statement of Changes in Capital Assets |
| 19 | Statement of Capital Assets |
| 22 | Statement of Contingent Liabilities – none to report |

Contact Person: I. Ben Tryin
Phone Number: (916) 555-1234
E-Mail: IBTryin@daq.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 on this 1st day of August, 2011 at Sacramento, California.

Signature of Officer

Type or print name of Officer

Title of Officer

EXHIBIT IV-B-20
CERTIFICATION LETTER
FIRST YEAR PARTICIPANTS

**State of California
M e m o r a n d u m**

Date : August 1, 2011

To: State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816 B-8

From: Department of Air Quality (9990)
102 North Street
Sacramento, CA 95814
I.M. King, Director, IMKing@daq.ca.gov
U.R. Dunne, Chief of Accounting, URDunne@daq.ca.gov

Subject : CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The Department of Air Quality (Org 9990) is a first year participant in CALSTARS Auto Year-End. Year-end accruals and adjustments were transmitted to your office on 7/28/11 for Fund 0001.

The following financial reports for the fiscal year end June 30, 2011, are enclosed:

GENERAL FUND (0001)

| <u>Report No.</u> | <u>Description</u> |
|-------------------|--|
| 1 | Report of Accruals to Controller's Accounts |
| 2 | Accrual Worksheet (see below) |
| 3 | Adjustments to Controller's Accounts (includes annotated back-up) |
| 4 | Statement of Revenue |
| 5 | Final Recon of SCO Accts with Final Budget Report |
| 6 | Final Budget Report |
| 7 | Pre-Closing Trial Balance |
| 8 | Post-Closing Trial Balance |
| 15 | Reconciliation of Agency Accounts with Transactions per State Controller (see below) |

This year end package includes a CALSTARS CSYDB3-1 Report in lieu of hard copies of Reports 2 and 15. For subsequent Automated Year End the CSYDB3-1 Report will be submitted in lieu of hard copies of Reports 1, 2, 3, 5, and 15.

SPECIAL REPORTS

| <u>Report No.</u> | <u>Description</u> |
|-------------------|---|
| 14 | Bank and/or Savings and Loan Association Accounts Outside the State Treasury System |
| 18 | Statement of Changes in Capital Assets |
| 19 | Statement of Capital Assets |
| 22 | Statement of Contingent Liabilities – none to report |

Contact Person: I. Ben Tryin
Phone Number: (916) 555-1234
E-Mail: IBTryin@daq.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 on this 1st day of August, 2011 at Sacramento, California.

Signature of Officer

Type or print name of Officer

Title of Officer

EXHIBIT IV-B-21
REQUIRED FINANCIAL AUTOMATED YEAR-END STATEMENTS FOR GOVERNMENTAL COST FUNDS

| REQUIRED REPORTS – FIRST YEAR PARTICIPANTS | | REQUIRED REPORTS – ONGOING PARTICIPANTS | |
|---|----------|--|----------|
| Report No. 1 – Report of Accruals to Controller's Accounts | | Not required | |
| Report No. 2 –Must be retained with year-end statements | | Not required | |
| Report No. 3 – Adjustments to Controller's Accounts | | Not required | |
| Report No. 3 – Supporting documentation | | Report No. 3 – Supporting documentation (annotated to CSYDB3-1) Report | |
| Report No. 4 – Final Statement of Revenue | | Report No. 4 – Final Statement of Revenue | |
| Report No. 5 – Final Reconciliation of Controller's Accounts with Final Budget Report | | Not required | |
| Report No. 6 – Final Budget Report | | Report No. 6 – Final Budget Report | |
| Report No. 7 – Pre-Closing Trial Balance | | Report No. 7 – Pre-Closing Trial Balance | |
| Report No. 8 – Post-Closing Trial Balance | | Report No. 8 – Post-Closing Trial Balance | |
| Report No. 14 – Report of Accounts Outside the Treasury System | 1 | Report No. 14 – Report of Accounts Outside the Treasury System | 1 |
| Report No. 15 –Must be retained with year-end statements | | Not required | |
| Report No. 18 – Statement of Changes in Capital Assets | | Report No. 18 – Statement of Changes in Capital Assets | |
| Report No. 19 – Statement of Capital Assets | 1 | Report No. 19 – Statement of Capital Assets | 1 |
| Report No. 22 – Statement of Contingent Liabilities | 2 | Report No. 22 – Statement of Contingent Liabilities | 2 |
| CALSTARS CSYDB3-1 Report | | CALSTARS CSYDB3-1 Report | |

- 1** Submit only 1 statement per department (not per fund).
2 Submit 1 statement per fund.

EXHIBIT IV-B-23
AUTOMATED YEAR-END REPORT CHECKLIST

CALSTARS Automated Year-End Report Checklist for Governmental Cost Funds

Use throughout the automated year-end reporting process to ensure each step is completed prior to electronic transmittal to the SCO, and subsequent submittal of the year-end package to the SCO.

(Modified on 3/1/2011)

| | |
|--|--|
| DEPARTMENT NAME: | |
| ORG CODE: | |
| FUND NUMBER: | |
| FUND NAME: | |
| CHECKLIST COMPLETED BY: | |
| DATE YEAR-END STATEMENT PACKAGE SENT TO SCO | |

EXHIBIT IV-B-23 (Continued)
AUTOMATED YEAR-END REPORT CHECKLIST

SECTION 1: COMPLETE THIS SECTION BEFORE ORDERING PRELIMINARY DB3 REPORT

| | |
|--|---|
| | Department has notified CALSTARS of intent to participate in automated year end process (only required for first year participants). |
| | Department has completed and input new or revised CALSTARS Security Forms (CALSTARS 95), if needed. |
| | Department has posted all accruals and adjustments. |
| | Reclassification of Encumbrances has not been performed. (Encumbrance reclassification is for Non-Governmental Funds only.) |
| | GL 3021-Claims In Process, GL 6201-Payroll Clearing Account, and GL 6297-Allocated Clearing Account are all zero. (Use PY G01) |
| | Program 99, Clearing Account, has a zero balance on CALSTARS reports. |
| | Department has performed and reviewed all FM 13 reconciliations: Appropriations Other detail accounts (e.g. Revenue) General Ledgers (non-shared funds) Subsidiary File balances (G02 or S01 Reports) to Document File (D09 or D10 Reports) subsidiary balances by GL Bank Reconciliation Revolving Fund Reconciliation |
| | There are no reconciling items to CALSTARS. |
| | Transaction Requests have been prepared to support all adjustments to SCO. |
| | There are no accruals or adjustments against reverting appropriations or prior year revenues. NOTE: If a claim schedule from a reverting appropriation (GL 3020) remains outstanding on June 30, confirm that SCO paid the claim from the reverting appropriation in the new year. |
| | Department has reviewed the following reports to ensure there are no over expenditures: B03, B06, or DB2 Reports for C accounts B04, B06, or DB2 Reports for D and F accounts |
| | Department has reviewed the G02 Report to ensure all accrual accounts have normal balances (GL 1110 has a debit balance, GL 3020 has a credit balance). |
| | Pending Budget Revisions have been approved by Department of Finance |
| | Pending Executive Orders have been processed by June 30. |

EXHIBIT IV-B-23 (Continued)
AUTOMATED YEAR-END REPORT CHECKLIST

SECTION 2: COMPLETE THIS SECTION FOR THE FINAL REVIEW OF DB3 REPORT

| | |
|--|--|
| | Department has resolved all fatal error messages on the DB3 Report. |
| | Department has received a one page null report for the non-transmittable records (DB3 Report requested at N report period option). NOTE: Departments must complete and submit a full set of manual statements for any fund that has non-transmittable records remaining after final adjustments are posted. |
| | Department has reviewed a final DB3 Report requested at blank report period option. Abnormal GL account balances have been reviewed and verified. NOTE: Only abnormal balances in GL 1110 or GL 1130 will result in non-transmittable records. All subsidiaries contain valid UCM Fund codes or General Ledger Account codes. Prepayments to ARF (GL 1730, Subsidiary 0602) and Reserve for Prepayment to ARF (GL 5330, Subsidiary 0602) agree with the G02 Report. Prepayments to Service Revolving Fund (GL 1730, Subsidiary 0666) and Prepayments to State Compensation Insurance Fund (GL 1730, Subsidiary 0512) are not included. The Fund Level Accruals page does not display GL 14XX, GL 3010, or GL 31XX (except Sales Tax). Adjustments to SCO appropriation and other detail accounts are displayed with the proper sign (GL 1400 is a "-" or negative; GL 3110 is a positive). Adjustments to SCO agree with supporting Transaction Requests. Pending Budget Revisions/Executive Orders are included on the Pending Budget Revisions line in the Balance column. Encumbrances Funded By Reimbursements does not exceed the amount of Encumbrances for each detail appropriation. |
| | The deadline to transmit fund records to the SCO has not passed. |

SECTION 3: COMPLETE THIS SECTION FOR REVIEW OF REMAINING YEAR-END REPORTS

First year participating departments must prepare hard copies of Report No. 1, 2, 3, 5 and 15. Refer to the Manual Year-End Report Checklist, which is available in Chapter IV-A, Exhibit IV-A-25, and on the Internet at www.dof.ca.gov/html/calstars/calsdocs/optools/yecklist.doc.

The remaining year-end reports have been prepared or ordered from CALSTARS and reviewed as follows:

REPORT NO. 4 – YEAR END STATEMENT OF REVENUE (Q26)

| | |
|--|---|
| | Only Current Year Revenue is reported. |
| | Reconciliation of State Controllers Revenue with Statement of Revenue is complete. Total Revenue Per State Controllers Office Accounts plus Reconciling Factors (Accruals and Adjustments to SCO) lines equal Total Revenue Per Statement of Revenue. |
| | Adjustments to SCO agree with supporting Transaction Requests. |

EXHIBIT IV-B-23 (Continued)
AUTOMATED YEAR-END REPORT CHECKLIST

REPORT NO. 6 - FINAL BUDGET REPORT (B06)

| | |
|--|---|
| | Total appropriations by reference are not overspent (debit balance). NOTE: Report No. 6 must be submitted to the SCO. |
|--|---|

REPORT NO. 7 - PRE-CLOSING TRIAL BALANCE (G02)

| | |
|--|---|
| | For a non-shared fund, GL 1140 and GL 1210 have debit balances and are reconciled to the SCO Fund Reconciliation. |
| | For a non-shared fund, GL 1140 with a credit balance requires a footnote with an explanation. |
| | GL 1510-Due from Federal Government should not be used (used only in Federal Trust Fund). |
| | For Bond funds, submit this report at fund and fund detail level. |

REPORT NO. 8 - POST-CLOSING TRIAL BALANCE (G02)

| | |
|--|--|
| | There is only one fund balance – GL 5570 for shared funds or GL 5530 for non-shared funds. |
| | For a non-shared fund, GL 5530-Fund Balance has a credit or zero balance. A debit balance must be explained in a footnote on the certification letter. |
| | Subsidiaries on File have normal balances. |

REPORT NO. 14 - REPORT OF BANK AND/OR SAVINGS AND LOAN ASSOCIATION ACCOUNTS OUTSIDE STATE TREASURY (STD 445)

| | |
|--|--|
| | Original is sent to the State Treasurer's Office. If there are no accounts to report, state "There are no accounts outside of the State Treasury" on the report. |
| | Only one copy of Report No. 14 is submitted to the SCO per department. If there are no accounts to report, departments are not required to submit a copy to the SCO. |
| | Department name and organization code is included on report. |
| | ZBAs (zero balance accounts) are included on report. |
| | Indicate on each certification letter which funds' statement will include the Report 14 for your agency. |

REPORT NO. 18 - STATEMENT OF CHANGES IN CAPITAL ASSETS (G05)

| | |
|--|--|
| | Report is requested at fund detail level. |
| | Beginning balances agree with the previous year's ending balances. Footnote any adjustments needed to the beginning balance. |
| | Ending balances are all debit amounts. |
| | Amounts agree with Property Ledger Reconciliation. |

REPORT NO. 19 - STATEMENT OF CAPITAL ASSETS (G05)

| | |
|--|--|
| | Only one Report No. 19 is submitted per department. |
| | Total of all capital assets of the department is reflected on the report. |
| | Indicate on each certification letter which funds' statement will include the Report 19 for your agency. |

EXHIBIT IV-B-23 (Continued)
AUTOMATED YEAR-END REPORT CHECKLIST

REPORT NO. 22 - STATEMENT OF CONTINGENT LIABILITIES

| | |
|--|--|
| | Amounts shown are not reflected in any general ledger account. |
|--|--|

SECTION 4: COMPLETE THIS SECTION BEFORE FINAL YEAR-END PACKAGE IS SUBMITTED

FINAL YEAR-END PACKAGE

CERTIFICATION LETTER

Certification letters must follow the approved format as displayed in Chapter IV-B, Exhibit IV-B-19 for ongoing participants and Exhibit IV-B-20 for first year participants.

A separate certification letter is required for each fund submitted. The following information is included:

| | |
|--|---|
| | Department name and organization number. |
| | Department mailing address and name of department director. |
| | Fund name and number. |
| | Declaration that the department is participating in CALSTARS Automated Year End for Governmental Cost Funds. |
| | Include the date that the fund's accruals and adjustments were transmitted to the SCO. |
| | All required reports, including Report No. 6 and CSYDB3-1, are listed for each fund/subfund. If there are no amounts to report on Report No. 4, the statement "None to Report" follows the report title. |
| | Only one Report No. 14 and Report No. 19 is submitted for the department. Report No. 14, 18, 19, and 22 appear under the heading "Special Reports". If there are no amounts to report, the statement "None to Report" follows the report title. |
| | Ongoing participants include the statement "The CSYDB3-1 Report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15. |
| | First year participants include the statement "This year end package includes a CALSTARS CSYDB3-1 Report in lieu of hard copies of Reports 2 and 15. |
| | Statement certifying that the data on the reports is true and correct. |
| | Title of the officer responsible for fiscal administration. |
| | Contact name, phone number, and e-mail address. |
| | The certification letter does not exceed two pages in length. |
| | Certification letter is signed and dated. |

FINAL YEAR-END PACKAGE TO SCO

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| | CSYDB3-1, CALSTARS Automated SCO Year-End Report – Final, is generated. |
| | Adjustments to SCO have been annotated on the CSYDB3-1 Report and cross referenced to the supporting Transaction Request(s). |
| | Copies of the Transaction Request forms supporting the Report No. 3 adjustments are included in the year end package along with the certification letter. Each adjustment on the Transaction Request forms is cross-referenced to the CSYDB3-1 Report. |

EXHIBIT IV-B-23 (Continued)
AUTOMATED YEAR-END REPORT CHECKLIST

FINAL YEAR-END PACKAGE TO SCO

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| | Copies of pending Budget Revisions/Executive Orders. |
| | Due To and Due From Other Funds Supplementary Information Form. |

FINAL YEAR-END PACKAGE RETAINED BY AGENCY

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| | CSYDB3-2 Report and copy of final year-end package sent to SCO is retained by the department. NOTE: CSYDB3-2 Report will not be created when there is no data to transmit. |
| | Adjustments to SCO have been annotated on the CSYDB3-2 Report and cross referenced to the supporting Transaction Request(s). |
| | Copies of the Transaction Request forms supporting the Report No. 3 adjustments are included in the year end package along with the certification letter. Each adjustment on the Transaction Request forms is cross-referenced to the CSYDB3-2 Report. |
| | Include Report 10 and 11 with the Year-End Packet for the agency. A complete copy must be maintained by the agency for audit purposes. |
| | Copies of Pending Budget Revisions/Executive Orders and a copy of the Due To and Due From Other Funds Supplementary Information Form. |