



IV Introduction – Year-end Closing-Prepare Governmental Cost Fund Reports

Chapter IV provides departments with step-by-step instructions on preparing the year-end financial reports for Governmental Cost Funds. There are two options for preparing the year-end financial statements for Governmental Cost Funds; departments can use either a "manual" or an "automated" process. Chapter IV-A describes the manual year-end statement process, which includes instructions on preparing Reports 1, 2, 3, 4, 5, and 15. Chapter IV-B provides the requirements and instructions for the automated year-end process, which includes electronically transmitting year-end reporting information to the State Controller's Office. To illustrate the two options, the report exhibits in Chapters IV-A and IV-B contain identical financial data for the same sample department.

A list of the required Year-End Reports is shown in Exhibit IV-1. A comparison of the manual and automated year-end processes is shown in Exhibit IV-2. A comparison of the required financial year-end statements is shown in Exhibit IV-3.

EXHIBIT IV-1
LIST OF YEAR-END REPORTS

No.	Year-End Report	Std. Form or CALSTARS Report	Governmental Cost Funds & Bond Funds ^{g/}	Non-Governmental Cost Funds	Report Distribution ^{d/ m/}			SAM Section
					SCO	STO	DOF	
1	Report of Accruals to Controller's Accounts	571	X		X			7952
2	Accrual Worksheet	572	X		X			7953
3	Adjustments to Controller's Accounts	576	X	X	X			7955
4	Final Statement of Revenue (includes reconciliation with Controller's Accounts) ^{a/}	Q26	X		X			7956
5	Final Reconciliation of Controller's Accounts with Final Budget Report ^{a/}	573	X		X			7957
6	Final Budget Report ^{i/}	B06	X	X				N/A
7	Pre-Closing Trial Balance ^{a/, g/}	G02	X	X	X			7962
8	Post-Closing Trial Balance ^{a/, g/}	G02	X	X	X			7962
9	Analysis of Change in Fund Balance (Statement of Operations) ^{a/}	G04		X	X			7963
10	Analysis and Reconciliation of Revolving Fund Accountability ^{i/}	<u>h/</u>	X	X				7965
11	Reconciliation of General Checking Account ^{i/}	<u>h/</u>	X	X				7967
13	Report of Expenditures of Federal Funds ^{k/}	Q34		X	X		X	7974
14	Report of Bank and/or Savings and Loan Association Accounts Outside State Treasury ^{j/}	445	X	X	X	X		7975
15	Reconciliation of Agency Accounts with Transactions per State Controller ^{a/}	<u>b/</u>	X		X			7976
18	Statement of Changes in Capital Assets	G05	X	X	X			7977
19	Statement of Capital Assets ^{i/}	G05	X		X			7978
20	Statement of Financial Condition	G04		X	X			7979
22	Statement of Contingent Liabilities	<u>b/</u>	X	X ^{e/}	X			7980
N/A	General Ledger Trial Balance	G01		X ^{i/}	X			N/A
N/A	Encumbrance Reclassification Report for SCO	H14	X ^{j/}		X			N/A
N/A	Due To/From Other Funds/Appropriations Supplementary Information Form	N/A	X	X	X			N/A
N/A	Material Variance Explanation Form	N/A	X	X	X			N/A

Note: Explanations for footnote are on page IV-A-3.

EXHIBIT IV-1 (Continued)
LIST OF YEAR-END REPORTS

- a/** If departments prepare reports containing accruals, there must be a footnote to the report such as: "Includes year-end accruals pursuant to State Administrative Manual (SAM) instructions." Refer to SAM section 7951.
- b/** Use the SAM section or the exhibit in Chapter IV-A as a suggested form.
- c/** Refer to the Uniform Codes Manual (UCM), Fund section, to determine the fund type for a fund.
- d/** See SAM section 7951 for required certification. All year end reports must be available for review upon request by the Department of Finance (DOF).
- e/** For Non-Treasury Trust Funds, Report 22 is not submitted.
- f/** Submit for Shared Non-Governmental Cost Funds only (i.e., funds using GL 5570-Fund Balance Clearing).
- g/** Bond fund statements must be submitted at both fund and fund detail level.
- h/** Use the SAM section as a suggested form.
- i/** Must be kept on file with the year-end reports. Report is not submitted to SCO.
- j/** Submit only one copy per department. Submit original report to STO and one copy to SCO.
- k/** Submit original report to Department of Finance and one copy to SCO.
- l/** Submit report with automated Statements only.
- m/** Mailing Address and Interagency Mail Service (IMS) Code:

Department of Finance
Fiscal Systems & Consulting Unit (A-14)
915 L Street, 7th Floor
Sacramento, CA 95814

State Controller's Office
Division of Accounting & Reporting (B-8)
State Government Reporting
P.O. Box 942850
Sacramento, CA 94250-5872

State Treasurer's Office
Securities Clearance Section (C-15)
P.O. Box 942809
Sacramento, CA 94209-0001

EXHIBIT IV-2
COMPARISON BETWEEN MANUAL AND AUTOMATED PROCESSES

STEP #	MANUAL PROCESS	AUTOMATED PROCESS
1	Post all accruals and special adjustments in FM 13.	Post all accruals and special adjustments in FM 13.
2	Prepare all final FM 13 reconciliations (SCO, Bank, ORF, GL for non-shared funds, and GL subsidiaries to Document File subsidiaries). Monitor control account (C) status for "overspending" using the reconciliations and a DB2 Report	Prepare all final FM 13 reconciliations (SCO, Bank, ORF, GL for non-shared funds, and GL subsidiaries to Document File subsidiaries). Monitor control account (C) status for "overspending" using the reconciliations and a DB2 Report.
3	Request the CALSTARS reports needed for year-end financial statements (G02, Q26, B06, G05 Reports).	Not applicable at this time.
4	Request the CALSTARS reports needed for Reclassify Encumbrances Reported as Accounts Payable (D07 Report) and SCO Due From/To Supplemental Form (D09 Report).	Not applicable at this time.
5	Not applicable.	Request the DB3 Report (at Blank report period option) and the G02 Report.
6	Not applicable.	Verify that the accounts and amount totals on the DB3 (GL Account Verification page) and the G02 Reports agree with the final FM 13 reconciliations.
7	Not applicable.	Resolve edit messages on the DB3 Report. Identify automated transaction codes (TC 750-TC 760) that need to be posted for Prepayments to 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.
8	Not applicable.	Post automated year-end transaction codes in FM13. These entries only affect the DB3 Report.
9	Not applicable.	Request final DB3 Report at N report period option to identify any records that are not transmittable. Request final DB3 Report at Blank report period option.

EXHIBIT IV-2 (Continued)
LIST OF YEAR-END REPORTS

STEP #	MANUAL PROCESS	AUTOMATED PROCESS
10	Not applicable at this time.	Request the remaining CALSTARS reports needed for year-end financial statements (G02, Q26, B06, G05 Reports). Complete the Q26 Report (Report No. 4).
11	Not applicable at this time.	Request the CALSTARS reports needed for Reclassify Encumbrances Reported as Accounts Payable (H14 Report) and SCO Due From/To Supplemental Form (D09 Report).
12	Prepare Reports No. 1, 2, 3, 5, and 15 and complete the Q26 Report (Report 4). (Refer to Chapter IV-A).	Not applicable. ^{1/}
13	Prepare Reports No. 10 and 11	Prepare Reports No. 10 and 11
14	Prepare Reports No. 14, 22, the backup documentation for Report No. 3, and the certification letter. (Refer to Chapter IV-A).	Prepare Reports No. 14, 22, the backup for adjustments to SCO, and the certification letter. Annotate the backup documentation to reference the Report No. 3 adjustments to SCO displayed on the CSYDB3-1 Report.
15	Review year-end financial statements and sign the year-end certification letter.	Review year-end financial statements and sign the year-end certification letter.
16	Not applicable.	Transmit data to SCO through Command F.2
17	Not applicable.	Receive CALSTARS CSYDB3-x system generated reports.
18	Assemble year-end package (Reports No. 1, 2, 3, 4, 5, 7, 8, 10, 11, 14, 15, 18, 19, 22, and additional SCO Reports required); make copies. ^{3/}	Assemble year-end package (including Reports No. 4, 6, 7, 8, 10, 11, 14, 18, 19, 22, and additional SCO Reports required); make copies. ^{1/, 2/, 3/}
19	Not applicable.	Add CSYDB3-1 Report to year-end package.
20	Submit year-end package to SCO by deadline.	Submit year-end package to SCO by deadline.

^{1/} First year participants must also include Reports No. 1, 3, and 5. Reports No. 2 and 15 must be retained with the year-end statements.

^{2/} All automated year-end participants must submit Report No. 6 to the SCO.

^{3/} Submit only one copy of Reports No. 14 and 19 per department. Reports No. 10 and 11 are not submitted to SCO but should be kept with the agency year-end financial statements for audit purposes.

EXHIBIT IV-3
COMPARISON OF REQUIRED FINANCIAL YEAR-END STATEMENTS

REQUIRED MANUAL REPORTS	REQUIRED AUTOMATED REPORTS – FIRST YEAR PARTICIPANTS		REQUIRED AUTOMATED REPORTS – ONGOING PARTICIPANTS	
Report No. 1 – Report of Accruals to Controller's Accounts	Report No. 1 – Report of Accruals to Controller's Accounts		Not required	
Report No. 2 – Accrual Worksheet	Report No. 2 – Must be retained with year-end statements		Not required	
Report No. 3 – Adjustments to Controller's Accounts	Report No. 3 – Adjustments to Controller's Accounts		Not required	
Report No. 3 – Supporting documentation	Report No. 3 – Supporting documentation		Report No. 3 – Supporting documentation (annotated to CSYDB3-1)	
Report No. 4 – Final Statement of Revenue	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	Report No. 5 – Final Reconciliation of Controller's Accounts with Final Budget Report		Not required	
Report No. 6 – Should be retained with year-end statements	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. 7 – Pre-Closing Trial Balance	
Report No. 8 – Post-Closing Trial Balance (with subsidiaries)	Report No. 8 – Post-Closing Trial Balance		Report No. 8 – Post-Closing Trial Balance	
Report No. 10 – Should be retained with the agency's year-end statements	Report No. 10 – Should be retained with the agency's year-end statements		Report No. 10 – Should be retained with the agency's year-end statements	
Report No. 11 – Should be retained with the agency's year-end statements	Report No. 11 – Should be retained with the agency's year-end statements		Report No. 11 – Should be retained with the agency's year-end statements	
Report No. 13 – Report of Expenditures for Federal Funds	Not Required		Not Required	
Report No. 14 – Report of Accounts Outside the Treasury System	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 – Reconciliation of Agency Accounts with Transaction Per State Controller	Report No. 15 – Must be retained with year-end statements		Not required	

^{1/} Submit only 1 statement per department (not per fund).

EXHIBIT IV-3 (Continued)
COMPARISON OF REQUIRED FINANCIAL YEAR-END STATEMENTS

REQUIRED MANUAL REPORTS	REQUIRED AUTOMATED REPORTS – FIRST YEAR PARTICIPANTS		REQUIRED AUTOMATED REPORTS – ONGOING PARTICIPANTS	
Report No. 18 – Statement of Changes in Capital Assets	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	Report No. 19 – Statement of Capital Assets	1/	Report No. 19 – Statement of Capital Assets	1/
Report No. 22 – Statement of Contingent Liabilities	Report No. 22 – Statement of Contingent Liabilities	2/	Report No. 22 – Statement of Contingent Liabilities	2/
Not required	CALSTARS CSYDB3-1 Report		CALSTARS CSYDB3-1 Report	
Not required	H14 Encumbrance Reclass Report		H14 Encumbrance Reclass Report	
Due To/From Other Funds/Appropriations Supplementary Information Form	Due To/From Other Funds/Appropriations Supplementary Information Form		Due To/From Other Funds/Appropriations Supplementary Information Form	
Material Variance Explanation Form	Material Variance Explanation Form		Material Variance Explanation Form	

1/ Submit only 1 statement per department (not per fund).

2/ Submit 1 statement per fund.