

Year-End Financial Reports Procedure Manual

Budgetary/Legal Basis

For the Fiscal Year Ended
June 30, 2020



BETTY T. YEE
California State Controller's Office

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Introduction

Government Code (GC) section 12460 states:

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

*Senate Bill 83, Chapter 24, Statutes of 2019 repeals GC 12472.5 and 13302(d) that provided authority to defer payroll from June to July of the following year.

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

The Manual contains general information for the fiscal year (FY) ending June 30, 2020, as well as specific details for preparing the reports required by SCO.

Agencies should consider the following information when filing the FY 2019-20 budgetary/legal basis year-end financial reports:

- **Delinquent Financial Reports**
SCO will post information about delinquent year-end financial reports on its website.
- **Certification Letter**
The Certification Letter accompanying the year-end financial reports must be signed by the officer responsible for fiscal administration. This person should be different from the preparer of the financial reports.
- **Revised Year-End Financial Reports**
A revised and signed Certification Letter is required when submitting revised year-end financial reports. Refer to the Revision section in this Manual for more information.
- **Consolidated Report 7 and Report 8**
In addition to a separate set of year-end financial reports for each sub-fund, agencies are required to submit a consolidated Report 7 and Report 8 for funds with multiple sub-funds.

State Controller's Office Expectations for Agencies

Reporting

- Read and comply with the Manual.
- Use reporting resources listed on the SCO website at: https://www.sco.ca.gov/ard_reporting.html
- Read and comply with the Department of Finance (DOF) Budget Letters and State Administrative Manual (SAM) sections pertaining to year-end financial reporting.
- Submit all year-end financial reports no later than the due dates listed in this Manual and Budget Letters. It is recommended that reports are submitted on a flow basis.
- Agencies that fail to submit timely year-end financial reports are subject to posting on the Budgetary/Legal Delinquent Reports list on the SCO website at: https://www.sco.ca.gov/ard_bl_delinquent_reports.html

Communication

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

General Information

Availability of Controller’s Documents to Agencies

The documents necessary for year-end closing/reporting will be available on the following approximate dates:

Availability Date	Document
TBD	Prior Year Accrual Summary
July 2, 2020	SCO Journal Entries for June
July 2, 2020	Monthly Reconciliation Reports (Agency and Fund)
July 15, 2020	Department Fund Checklist ^{a,c}
July 15, 2020	Report of Accruals to Controller’s Accounts (Report 1: Forms 571A, 571B, 571A/B, 571C, and 571D) ^{b,c}
July 15, 2020	Adjustments to Controller’s Accounts (Report 3: Forms 576A and 576B) ^{b,c}
July 15, 2020	Final Reconciliation of Controller’s Accounts with Final Budget Report/Agency Records (Report 5: Form 573) ^c

a. The Department Fund Checklist is not all-inclusive. All funds with balances on the Agency Reconciliation Report and/or Fund Reconciliation Report must submit year-end financial reports. The Department Fund Checklist does not include Fund 0990 (Fiduciary Funds Outside the Centralized Treasury System). If your agency has any activity within Fund 0990, then year-end financial reports must be submitted.

b. Additional blank copies of these reports are available at https://www.sco.ca.gov/ard_reporting.html.

c. These reports are available online for agencies at https://www.sco.ca.gov/ard_reporting.html.

Deadlines and Deliverable Dates for Year-End Financial Reports

Budgetary/Legal

Due Dates	Fund(s) Year-End Financial Reports
July 31, 2020	General Fund: Fund Number 0001
July 31, 2020	Feeder Funds: Fund Numbers 0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097
July 31, 2020	Special Fund for Economic Uncertainties (Fund Numbers 0374 and 0375)
August 20, 2020	All other funds
August 20, 2020	Report of Accounts Outside the State Treasury, Report 14: The State Treasurer's Office (STO) requires the report to be electronically submitted through FISCAL. SCO requires a hard copy with an original (wet) signature submitted with the year-end financial reports.
August 20, 2020	Report of Expenditures of Federal Funds, Report 13: Original due to the Department of Finance (DOF), Fiscal Systems and Consulting Unit (FSCU) and a copy due to SCO.
September 15, 2020 ^a	Revisions sent on or before September 15, 2020, must be sent electronically along with a Certification Letter marked "Revised" to the Budgetary/Legal mailbox: BLFinRep@sco.ca.gov A hard copy along with a signed certification letter must also be sent in.
November 16, 2020	Accounts Receivable Reports

GAAP

Due Dates	Fund(s) Year-End Financial Reports
September 3, 2020	Generally Accepted Accounting Principles (GAAP) information, excluding independently audited financial statements.
October 1, 2020	Independently audited financial statements. If a final is not available by this date, submit a draft statement. If you are waiting to receive pension and OPEB information at the beginning of October, then your audit is due as soon as possible but no later than November 16, 2020.
October 15, 2020	Final independently audited financial statements.

As a reminder, SCO highly recommends that agencies submit their year-end financial reports by fund as soon as they are completed. This allows ample time for agencies to send in revised and/or missing reports, if necessary, before the deadlines. **All hard copy reports must be received by SCO by close of business, 5:00 p.m., on the day they are due.**

^a If a revised report cannot be submitted by the due date, email the Budgetary/Legal section at BLFinRep@sco.ca.gov to obtain approval to submit after the due date and provide an anticipated submission date.

Mailing/Delivery Addresses for Reports

MAIL DELIVERY – SCO:
State Controller's Office
State Accounting and Reporting Division
Bureau of State Government Reporting
P.O. Box 942850
Sacramento, CA 94250-5872

HAND DELIVERY – SCO:
State Controller's Office
State Accounting and Reporting Division
Bureau of State Government Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

MAIL DELIVERY – DOF:
Department of Finance
Fiscal Systems and Consulting Unit (FSCU)
915 L Street, 7th Floor
Sacramento, CA 95814

SPECIAL MAILING/DELIVERY INSTRUCTIONS

Year-End Financial Reports – SCO:

Mail or hand deliver all required year-end financial reports to SCO.

Report of Expenditures of Federal Funds (Report 13) – DOF and SCO:

Mail the original signed report to DOF.

Mail or hand deliver a copy to SCO, along with the required year-end financial reports.

Report of Accounts Outside the State Treasury (Report 14) – STO and SCO:

STO requires the report to be electronically submitted through FI\$Cal.

SCO requires a hard copy with an original signature (wet signature) submitted with the year-end financial reports.

REMINDERS

- Label each report with the agency's name and four-digit agency code as well as the fund name and fund number.
- Verify that all reports for all funds are submitted.
- If there are no amounts to report, note "no activity to report" next to the report title(s) on the Certification Letter. For Report 18, note "no capital assets to report" if there are no capital assets to report. A Report 18 is still required to be submitted if there is a beginning balance and no current year activity.
- **Do not** staple and/or spiral bind year-end financial reports together. Use paper clips, binder clips, or rubber bands.
- **Do not** submit reports that have zero amounts or that are blank (except Report 14 and the Material Variance Explanation Form) but note on the Certification Letter "no activity to report."
- Certification Letter must be signed.

FI\$Cal Year-End Financial Reporting

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

<https://fiscal.ca.gov/about-us/more-information/>

DOF will continue to provide assistance and year-end training for agencies using FI\$Cal. Agencies should work with their DOF analyst and FI\$Cal retention analyst to make arrangements for additional support to meet the year-end deadlines. Agencies may contact DOF – FSCU for guidance with accounting processes and policies including monthly reconciliations and year-end procedures at (916) 324-0385 or via email at:

FSCUHotline@dof.ca.gov.

FI\$Cal agencies may refer to the sample reports provided in this Year-End Financial Reports Procedure Manual for assistance in preparing their year-end financial reports.

Resources:

Additional information on FI\$Cal training classes and training materials is available at:

http://www.dof.ca.gov/Accounting/Consulting_and_Training/FISCal_Training/

Additional information related to FI\$Cal can be found at: <https://fiscal.ca.gov/user-support/job-aids/> or <http://www.fiscal.ca.gov/>

Certification Letter

Certification Letter

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

Submit a separate Certification Letter for each fund. Each Certification Letter must be signed in blue ink by the officer responsible for fiscal administration. This person should be different from the preparer of the year-end financial reports. A fund and multiple sub-funds can be included within one Certification Letter, but the reports submitted for each sub-fund must be listed on the Certification Letter. Requiring one Certification Letter per fund helps ensure that each agency's year-end financial reports are accounted for.

All Certification Letters must include the following:

- Date
- Agency name
- Four-digit agency code
- Agency mailing address
- Names and email addresses of the agency Director and Chief of Accounting
- Name and number of the fund and any applicable sub-fund(s)
- List of required reports. If there is nothing to report, note "no activity to report" or "no capital assets to report" next to the applicable report titles on the Certification Letter
- Contact person name, phone number, and email address
- A certification statement signed by the officer responsible for fiscal administration.

Note: Organizational letterhead is recommended.

Special Reports on the Certification Letter

Special reports include Reports 14, 18, 19, and 22. These reports are listed under the heading Special Reports, below all other required reports on the Certification Letter.

Note: Report 13 is not considered a special report.

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

- Submit one hard copy of Report 14 with an original signature and one hard copy of Report 19 to SCO.
- Include the Report of Accounts Outside the State Treasury, Report 14, and the Statement of Capital Assets Group of Accounts, Report 19, in the General Fund set of reports. To help us locate these two reports, agencies are required to indicate "submitted with General Fund" next to these subject reports, on every other fund's Certification Letter.

- If your agency does not submit reports for the General Fund, or if your Report 14 is not ready when submitting the General Fund, include hard copies of Reports 14 and 19 in your agency's main fund set of reports, and indicate on every other fund's Certification Letter which fund these two subject reports are submitted with. Doing so will ensure that your agency is credited for submitting these reports.
- If there are no accounts outside State Treasury to report on Reports 14 and/or no capital assets to report on Report 19, list the reports on the General Fund's or main fund's Certification Letter under Special reports, as required, and indicate:

Report 14 – No accounts outside State Treasury

Report 19 – No capital assets to report

- All accounts outside of the State Treasury, as defined by GC section 16305.2, must be listed on Report 14, including accounts with zero balances and accounts that have been closed during the FY (specify date closed).
- If there are no accounts outside the State Treasury to report, a **signed** blank Report 14 is still required and should indicate "No Accounts outside State Treasury."
- Include the agency head's or designee's signature and contact information on Report 14.

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

If there are **No capital assets** to report on Report 18, list the report on the Certification Letter under Special Reports, as required, and indicate:

Report 18 – No capital assets to report

If there is **no activity** to report on Report 22, list the report on the Certification Letter under Special Reports, as required, and indicate:

Report 22 – No activity to report

Supplemental Forms/Checklist on the Certification Letter

Under the heading Supplemental Forms/Checklist, list the Due To/From Other Funds/Appropriations Supplemental Form, the Material Variance Explanation Form (MVEF), and the Checklist.

If there is no activity to report on the above forms, indicate "no activity to report" on the Certification Letter. However, the MVEF and the Checklist are still required per fund (not per sub-fund) even though there is no activity.

Memorandum

Date:

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

Example 1 **Governmental Cost Fund**

Governmental Accounting Advisory Board (1234)

Prepared by: Agency of XYZ (7890)

123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

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

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

GOVERNMENTAL FUND (4567)

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

If there is no activity

SPECIAL REPORTS

<u>Report</u>	<u>Description</u>
14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts – no capital assets to report
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – no activity to report

SUPPLEMENTAL FORMS / CHECKLIST

- Due To/From Other Funds/ Appropriations Supplemental Form
- Material Variance Explanation Form
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Officer

Memorandum

Date:

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

Example 2
Governmental
Cost Funds/Bond Funds
with Sub-Funds

Governmental Accounting Advisory Board (1234)

123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

BOND FUND (6790)

<u>Report</u>	<u>Description</u>
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance

BOND FUND (6790.123)

<u>Report</u>	<u>Description</u>
1	Report of Accruals to Controller's Accounts
2	Accrual Worksheet
3	Adjustments to Controller's Accounts (annotated backup only)
4	Statement of Revenue
5	Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
15	Reconciliation of Agency Accounts with Transactions per State Controller

BOND FUND (6790.124)

<u>Report</u>	<u>Description</u>
1	Report of Accruals to Controller's Accounts
2	Accrual Worksheet
3	Adjustments to Controller's Accounts (annotated backup only)
4	Statement of Revenue
5	Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
15	Reconciliation of Agency Accounts with Transactions per State Controller

BOND FUND (6790.125)

<u>Report</u>	<u>Description</u>
1	Report of Accruals to Controller's Accounts
2	Accrual Worksheet
3	Adjustments to Controller's Accounts (annotated backup only)
4	Statement of Revenue
5	Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
15	Reconciliation of Agency Accounts with Transactions per State Controller

SPECIAL REPORTS

<u>Report</u>	<u>Description</u>
14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts – no capital assets to report
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – no activity to report

SUPPLEMENTAL FORMS / CHECKLIST

- Due To/From Other Funds/Appropriations Supplemental Form
- Material Variance Explanation Form
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Officer

Memorandum

Example 3
Nongovernmental
Cost Fund

Date:

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

Governmental Accounting Advisory Board (1234)

123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

NONGOVERNMENTAL COST FUND (4321)

<u>Report</u>	<u>Description</u>
3	Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
13	Report of Expenditures of Federal Funds (Required only for Federal Funds)
20	Statement of Financial Condition

SPECIAL REPORTS

<u>Report</u>	<u>Description</u>
14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts – no capital assets to report
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – no activity to report

SUPPLEMENTAL FORMS / CHECKLIST

- Due To/From Other Funds/Appropriations Supplemental Form
- Material Variance Explanation Form\
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Officer

Memorandum

Date:

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

Example 4
***Nongovernmental Cost
Fund/
Special Deposit Fund
with Sub-Funds***

Governmental Accounting Advisory Board (1234)
123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

SPECIAL DEPOSIT FUND CONSOLIDATED (0942)

<u>Report</u>	<u>Description</u>
3	Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance

SPECIAL DEPOSIT FUND (0942.001) "TITLE"

<u>Report</u>	<u>Description</u>
9	Analysis of Change in Fund Balance
20	Statement of Financial Condition

SPECIAL DEPOSIT FUND (0942.002) "TITLE"

<u>Report</u>	<u>Description</u>
9	Analysis of Change in Fund Balance
20	Statement of Financial Condition

SPECIAL DEPOSIT FUND (0942.003) "TITLE"

<u>Report</u>	<u>Description</u>
9	Analysis of Change in Fund Balance
20	Statement of Financial Condition

SPECIAL REPORTS

<u>Report</u>	<u>Description</u>
14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts – no capital assets to report
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – no activity to report

If there is no activity

SUPPLEMENTAL FORMS / CHECKLIST

- Due To/From Other Funds/Appropriations Supplemental Form
- Material Variance Explanation Form
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Officer

Memorandum

Example 5
REVISED
Governmental
Cost Fund

Date:

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

Governmental Accounting Advisory Board (1234)

123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

GENERAL FUND (0001) – REVISED

<u>Report</u>	<u>Description</u>
1 & 3	Revisions to Accruals and Adjustments to Controller's Accounts (Forms 571E & 571F)

SPECIAL REPORTS (if any)

<u>Report</u>	<u>Description</u>
18	Statement of Changes in Capital Assets Group of Accounted – Revised
19	Statement of Capital Assets Group of Accounts – Revised

SUPPLEMENTAL FORMS / CHECKLIST (if any)

- Due To/From Other Funds/Appropriations Supplemental Form
- Material Variance Explanation Form
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Officer

Memorandum

Example 6
REVISED
Nongovernmental
Cost Fund

Date:

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

Governmental Accounting Advisory Board (1234)
123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

NONGOVERNMENTAL COST FUND (4321) – REVISED

<u>Report</u>	<u>Description</u>
1 & 3	Revisions to Accruals and Adjustments to Controller's Accounts (Form 571E only)

SPECIAL REPORTS (if any)

<u>Report</u>	<u>Description</u>
18	Statement of Changes in Capital Assets Group of Accounted – Revised
19	Statement of Capital Assets Group of Accounts – Revised

SUPPLEMENTAL FORMS / CHECKLIST

- Due To/From Other Funds/Appropriations Supplemental Form
- Material Variance Explanation Form
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Officer

Governmental Cost Funds

Budgetary/Legal Basis Governmental Cost Funds

There are two main fund groups in the budgetary/legal basis: Governmental Cost Funds and Nongovernmental Cost Funds.

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

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

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

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

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

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

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

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

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

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	Report Description
1	—	571A, B, A/B, C, D	7952	Report of Accruals to Controller's Accounts
2	—	—	7953	Accrual Worksheet
3	—	576A, B	7955	Adjustments to Controller's Accounts
4	RPTGL065	—	7956	Year End Statement of Revenue
5	—	573	7957	Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records
7	RPTGL068	—	7962	Pre-Closing Trial Balance
8	RPTGL069 RPTGL114	—	7962	Post-Closing Trial Balance (includes Subsidiaries on File)
15	—	—	7976	Reconciliation of Agency Accounts with Transactions per State Controller

Special Reports^a:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	Report Description
14 ^b	—	STD. 445	7975	Report of Accounts Outside the State Treasury One report per agency Required even if there are no accounts to report
18 ^c	RPTGL075	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts One report per fund if there are amounts in any column: beginning balance/additions/deductions/ending balance
19 ^c	RPTGL076	—	7978	Statement of Capital Assets Group of Accounts One report per agency
22	—	—	7980	Statement of Contingent Liabilities One report per fund

(Continued)

Supplemental Forms:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	Report Description
—	RPTGL115	—	—	Due To/From Other Funds/Appropriations Supplemental Form ^e One report per fund
—	—	—	—	Material Variance Explanation Form One report per fund even if there is no activity to report
—	—	—	—	Checklist One checklist per fund even if there is no activity to report

(Concluded)

- a. If the agency does not have amounts to report, the Certification Letter must indicate this for each report. Refer to the Certification Letter instructions for more information.
- b. Include all accounts used by the agency on one report. If the agency does not have amounts to report, indicate it on the Certification Letter.
- c. Failure to submit Report(s) 18 and/or 19 will result in a disqualification for excellence in financial reporting.
- d. If the agency accrues Due To/From Other Funds/Appropriation, General Ledger (GL) 3114.FFFF, 1410.FFFF, 1420.AAAA, and/or 3115.AAAA on Report 1, 3, or Revisions to Reports 1 and 3, it is required to complete the Due To/From Other Funds/Appropriations Supplemental Form. FFFF denotes fund and AAAA denotes agency.

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

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

A completed Report 2 is needed to prepare Report 1. Report 2 is the first report to be completed.

Report 1 also contains the encumbrances included in the accruals entered on this report. Follow the specific instructions for reporting encumbrances.

The amounts on Reports 1 and the Adjustments to Controller's Accounts (Report 3) are combined with the amounts from SCO cash basis accounts to produce the BLBAR.

Report 1 consists of the following forms:

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

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

Note: Do not submit accruals for categories 94, 95, 96, and 98.

General Instructions

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

Specific Instructions

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

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

- 1 **Agency Name and Number:** Enter the agency name and number.
- 2 **Fund Name and Number:** Enter the fund name and number.
- 3 **Name of Contact Person and Title:** Enter the name and title of the person to contact with questions concerning this report.
- 4 **Telephone Number:** Enter the contact person's telephone number.
- 5 **Email Address:** Enter the contact person's email address.
- 6 **Account:** GL account numbers for commonly used accounts are preprinted on Forms 571A and 571B. If the appropriate account number is not preprinted on these forms, enter the proper four-digit account number on Forms 571B or 571A/B using the lowest level account numbers listed in the Uniform Codes Manual. **Do not** enter a subsidiary number unless it is required.

Enter the four-digit **fund number** (FFFF) immediately following the GL account numbers listed below to identify the other fund involved in an interfund transaction.

- 1410.FFFF Due From Other Funds
- 1730.FFFF Prepayments to Other Funds or Appropriations
- 3114.FFFF Due To Other Funds
- 5330.FFFF Reserve for Prepaid Items (enter the same fund number as GL 1730)

For prepayments, see SAM section 10514 and 10517.

Enter the four-digit **agency code** (AAAA) of the agency involved in the transaction as the subsidiary number following the GL account numbers listed to identify the other agency involved in the inter-agency transaction. If the AAAA is your own agency, the amounts of these two accounts have to agree with each other.

1420.AAAA Due From Other Appropriations
3115.AAAA Due To Other Appropriations

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

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

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

For all agencies, the unencumbered amount of the Due From Other Funds GL 1410.FFFF must equal the related unencumbered amount of the Due To Other Funds GL 3114.FFFF from other agencies. Agencies must coordinate related amounts reported to ensure the amounts are equal.

Fill out the Due To/From Other Funds/Appropriations Supplemental Form to provide SCO with information identifying the agency code(s) and agency name(s) related to the Due To/From Other Fund/Appropriation transactions submitted on Report 1.

7A Amount: Post the total accruals from Report 2 to the appropriate GL accounts. Post Prepayments to GL 1730.0602 Architectural Revolving Fund (ARF) and GL 5330.0602 Reserve for ARF as listed on Report 2. **Do not** enter the following prepayments to other funds on Report 1, as the SCO records already reflect these balances.

GL 1730.0666 Prepayments to Service Revolving Fund
GL 1730.0512 Prepayments to State Compensation Insurance Fund

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

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

- 8A Encumbrances:** Follow the guidelines on reporting encumbrances.
- Enter any encumbrance amounts that are included in the accruals reported in the Encumbrances column. The encumbrance amount must not exceed the accrual.
- Do not** report encumbrances to GL account 3020, Claims Filed.
- Do not** report accruals for GL accounts 5350 (Reserve for Encumbrances) and 6150 (Encumbrances).
- If the accrual, less the encumbrance for accounts payable (GL 3010), is not a true accounts payable liability, it should be reclassified to the true liability GL accounts: 3114.FFFF, 3115.AAAA, 3220, and/or 3290, to avoid overstating accounts payable.
- All accrued reimbursements that will fund the accrued encumbrances should remain in their respective asset accounts (GL1312, 1410.FFFF, 1510, and 1590).
- Goods and services received but not paid as of June 30 should be accrued as actual expenditures and liabilities, not encumbrances.**
- 8B D/C (Debit or Credit):** Enter D when the encumbrance amount in the Encumbrances column is a debit and C when the amount is a credit. The encumbrance should have the same D or C sign as the corresponding accrued asset or liability.
- 8C Net Debits/Credits:** Enter the net of the debits and credits in the Encumbrances column and indicate it as C or D.
- Form 571C**
- 9 Account Description:** The title of each disbursement, reimbursement, transfer, and receipt account is preprinted in this column. These accounts are the same as those on the monthly agency reconciliation reports.
- Accruals for abatements or reimbursements to reverted accounts must be credited to Receipt Account Number 0500000, Refunds to Reverted Appropriations.
- If there are accruals to accounts not preprinted on this form, add the accounts on Form 571D (see instructions for Form 571D). **Do not** add accounts on Form 571C.
- 10 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is preprinted in this column.

- 11 M: This column is for SCO use only.
- 12 REF: The reference item corresponding to each disbursement, reimbursement, and transfer account is preprinted in this column.
- 13 CA through TSK: The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account is preprinted in these columns.
- Do not post accruals to categories 94, 95, 96, or 98. The category 97 Office Revolving Fund accrual must match the June 30 SCO amount (opposite sign) so the balance nets to zero.**
- 14 T: The appropriate letter identifying the account type, as shown below, is preprinted in this column.
- D – Disbursement Account
 F – Reimbursement or “Amount Payable From” Account
 T – Transfer to Other Funds Account
 R – Receipt Account
- 15 SFUND: The source fund corresponding to each reimbursement account is preprinted in this column. The source fund consists of a four-digit fund number with a three-digit sub-fund number. If there is no sub-fund detail, the spaces following the four-digit fund number will be filled with zeros.
- 16 B: A number (1, 2, or 3) shown in this column indicates the account is blocked.
- 17 REV/OBJ: The account number corresponding to each receipt account is preprinted in this column. The first space is coded as a zero, followed by the six-digit revenue code.
- 18A Accrual Amount: Post the net accruals from Report 2 to the appropriate disbursement, reimbursement, transfer, or receipt account.
- 18B D/C (Debit or Credit): Enter D when the amount in the Accrual Amount column is a debit and C when the amount is a credit.
- 18C Net Debits/Credits: Enter the net of the debits and credits in the Accrual Amount column and indicate it as D or C.
- 19A Encumbrance: Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
- The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P, Due To) for that appropriation as shown on Report 2.

If encumbrances are reported for a pass-through fund, include the corresponding receivable and reimbursement.

- 19B D/C (Debit or Credit): Enter D when the encumbrance amount in the Encumbrance column is a debit and C when the amount is a credit.
- 19C Net Debits/Credits: Enter the net of the debits and credits in the Encumbrance column and indicate it as D or C.

Form 571D

- 20 Appropriation and Revenue Account Titles: Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.
- 21 FY: Enter the four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account.
- 22 M: This column is for SCO use only.
- 23 REF/ITEM: Enter the reference item corresponding to each disbursement, reimbursement, and transfer account.
- 24 CAT through TASK: Enter the appropriate category, program, element, component, and/or task corresponding to each disbursement or reimbursement account. **Do not** post accruals to categories 94, 95, 96, or 98. The category 97 Office Revolving Fund accrual must match the June 30 SCO amount (opposite sign) so the balance nets to zero.
- 25 T: Enter the appropriate letter, as shown below, to identify the account type.
- D – Disbursement Account
F – Reimbursement or “Amount Payable From” Account
T – Transfer to Other Funds Account
R – Receipt Account
- 26 SOURCE FUND: Enter the source fund corresponding to each reimbursement account. The source fund consists of a four-digit fund number with a three-digit sub-fund number. If there is no sub-fund detail, the spaces following the four-digit fund number will be filled with zeros.
- 27 B: Enter the block number (1, 2, or 3) if the account is blocked.
- 28 SCO: Enter a zero (0).
- 29 Revenue/Object: Enter the six-digit code for each receipt account.
- 30A Amount: Post the net accruals from Report 2 to the appropriate disbursement, reimbursement, transfer, or receipt account.

- 30B D/C (Debit or Credit): Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 30C Net Debits/Credits: Enter the net of the debits and credits in the Amount column and indicate it as a D or C.
- 31A Encumbrances: Follow the guidelines for reporting encumbrances as outlined in this manual.
- Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
- The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P, Due To) for that appropriation as shown on Report 2.**
- If encumbrances are reported for a pass-through fund, include the corresponding receivable and reimbursement.
- 31B D/C (Debit or Credit): Enter D when the encumbrance amount in the Encumbrance column is a debit and C when the amount is a credit.
- 31C Net Debits/Credits: Enter the net of the debits and credits in the Encumbrance column and indicate it as D or C.

REPORT NO. 1 Form 571 A (Rev. 7/19)

Report of Accruals to Controller's Accounts

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
A			

June 30, 20XX

Page _1_ of _4_

Agency Name and Number 1 Department of Training (1234)	Fund Name and Number 2 Training Support Fund (4321)
Name of Contact Person, Title 3 U.R. Dunne, Accounting Administrator	Telephone Number 4 (916)123-4567
	Email Address 5 UR.Dunne@training.ca.gov

ACCOUNT TITLE	8A ENCUMBRANCES	D	6 ACCOUNT	7A AMOUNT	D
GENERAL CASH			1110	90.00	D
REVOLVING FUND CASH			1130	188,289.14	D
CASH IN TRANSIT TO STATE TREASURY			1150		
CASH ON HAND			1190	100.00	D
ACCOUNTS RECEIVABLE-ABATEMENTS			1311	10,201.06	D
ACCOUNTS RECEIVABLE-REIMBURSEMENTS			1312	2,205.00	D
ACCOUNTS RECEIVABLE-REVENUE			1313		
ACCOUNTS RECEIVABLE-OTHER			1319	450.93	D
ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS (CREDIT BAL)			1390		
DUE FROM OTHER FUNDS			1410 0042	3,987.00	D
DUE FROM OTHER APPROPRIATIONS	3,477.04	D	1420 1234	11,269,849.46	D
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590		
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600 01319	450.93	C
EXPENSE ADVANCES			1710	636.42	D
Net Debits/Credits	8C 3,477.04	D	Net Debits/Credits	7C 11,475,358.08	D

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

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

REPORT NO: 1
PAGE NO: 1

DOCUMENT NO: DATE:

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

FUND: 4321000 TRAINING SUPPORT FUND

STATE CONTROLLER'S OFFICE

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

AGENCY: 1234 DEPARTMENT OF TRAINING
MAIL CODE 1234

ACCOUNT DESCRIPTION	19A	19B	10	11	12	13					14	15	16	17	18A	18B
	ENTER ENCUMBRANCE	D/C	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	**ENTER** ACCRUAL AMOUNT	D/C
6770 - STATE BUDGET	286,056.87	D	2018		001		10				D				4,130,346.56	D
6775 - FINANCIAL INFORMATION SYSTEM			2018		001		15				D				2,117,081.67	D
6780 - STATE AUDITS AND EVALUATION	75,698.34	D	2018		001		20				D				1,511,718.59	D
6785 - STATEWIDE ACCOUNTING POLICIES	43,166.70	D	2018		001		30				D				1,070,953.06	D
6790 - DEPARTMENT OF JUSTICE LEGAL			2018		001		32				D				73,958.92	D
6800 - LOCAL GOVERNMENT AUDITS AND	449,400.61	D	2018		001		37				D				1,947,983.36	D
9900100 - ADMINISTRATION	61,388.03	D	2018		001		40	01			D				1,541,657.77	D
9900200 - ADMINISTRATION - DISTRIBUTED	61,388.03	C	2018		001		40	02			D				1,541,657.77	C
CALSTARS CLEARING ACCOUNT			2018		001		99				D				9,524,369.29	C
REIMBURSEMENTS TO 6770 - STATE BUDGET	34,532.46	C	2018		001	90	10				F	0001000			351,005.01	C
REIMBURSEMENTS TO 6775 - FINANCIAL INFO			2018		001	90	15				F	0001000			564,833.46	C
REIMBURSEMENTS TO 6780 - STATE AUDITS			2018		001	90	20				F	0001000			469,994.41	C
REIMBURSEMENTS TO 6785 - STATEWIDE			2018		001	90	30				F	0001000			808,273.59	C
REVOLVING FUND ADVANCE			2018		001	97					D				200,000.00	C
TO FUND POSTING ON INTERNET WEBSITE	22,249.97	D	2018		501		10				D				61,623.46	D
(1) - ANNUAL FINANCIAL PLAN	160.36	D	2017		001		10				D				1,948.41	D
(2) - FINANCIAL INFORMATION SYSTEM			2017		001		15				D					
(3) - PROGRAM AND INFORMATION SYSTEM	26.35	D	2017		001		20				D				317.63	D
(4) - SUPPORTIVE DATA	2,859.57	D	2017		001		30				D				2,348.04	D
(5) - DEPARTMENT OF JUSTICE LEGAL			2017		001		32				D					
19C NET DEBITS/CREDITS	845,086.31	D													1,000,196.06	C
18C NET DEBITS/CREDITS																

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

DOCUMENT NO: DATE:

FUND: 4321000 TRAINING SUPPORT FUND

AGENCY: 1234 DEPARTMENT OF TRAINING
MAIL CODE 1234

STATE CONTROLLER'S OFFICE

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

REPORT NO: 1
PAGE NO: 2

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

ACCOUNT DESCRIPTION	(19A) **ENTER**	(19B)	(10)	(11)	(12)	(13)					(14)	(15)	(16)	(17)	(18A) **ENTER**	(18B)
	ENCUMBRANCE	D/C	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCRUAL AMOUNT	D/C
(6) - LOCAL GOVERNMENT UNIT	21.02	D	2017		001		37				D				423.65	C
(7) - ADMINISTRATION	16.65	D	2017		001		40	01			D				3,619.10	C
(8) - DISTRIBUTED ADMINISTRATION	16.65	C	2017		001		40	02			D				3,619.10	D
CLASTARS CLEARING ACCOUNT			2017		001		99				D				1,601.91	C
GENERAL FUND CASH FLOW LOAN			2017		001	80					D					
(9) - REIMBURSEMENTS			2017		001	90					F	0001000				
REVOLVING FUND ADVANCE			2017		001	97					D					
FOR IMPLEMENTATION OF CHAPTER 32			2015		504						D					
FOR IMPLEMENTATION OF CHAPTER 46			2015		505						D					
FOR IMPLEMENTATION OF CHAPTER 46			2015		506						D					
FOR IMPLEMENTATION OF CHAPTER 26			2015		507	37					D					
FOR IMPLEMENTATION OF CHAPTER 26			2015		510						D					
ESCHEAT-CHECKS, WARRANTS			2018								R		0161000			
MISCELLANEOUS REVENUE			2018								R		0161400	200.00	C	
SETTLEMENTS/JUDGEMENTS			2018								R		0163000			
DONATIONS			2018								R		0164900			
ESCHEAT-CHECKS, WARRANTS			2017								R		0161000			
MISCELLANEOUS REVENUE			2017								R		0161400			
SETTLEMENTS/JUDGEMENTS			2017								R		0163000			
REFUNDS TO REVERTED APPROPNS			2017								R		0500000			
(19C) NET DEBITS/CREDITS	21.02	D												(18C) NET DEBITS/CREDITS	2,225.56	C

REPORT NO. 1 Form 571 D (Rev. 7/19)

Report of Accruals to Controller's Accounts

SCO USE ONLY			
Document No	C C Y Y M M D D	Fund	Agency
A			

June 30, 20XX

Page ___ of ___

Agency Name and Number 1 Department of Training (1234)		Fund Name and Number 2 Training Support Fund (4321)	
Name of Contact Person, Title 3 U.R. Dunne, Accounting Administrator		Telephone Number 4 (916)123-4567	Email Address 5 UR.Dunne@training.ca.gov

APPROPRIATION AND REVENUE	ENCUMBRANCES	D	FY	M	REF/ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	C	REVENUE	AMOUNT	D
20	31A	31B	21	22	23			24				25	26	28	29	30A	30B
Net Debits/Credits	31C	—														30C	—

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

Reporting of Encumbrances

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

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

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

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

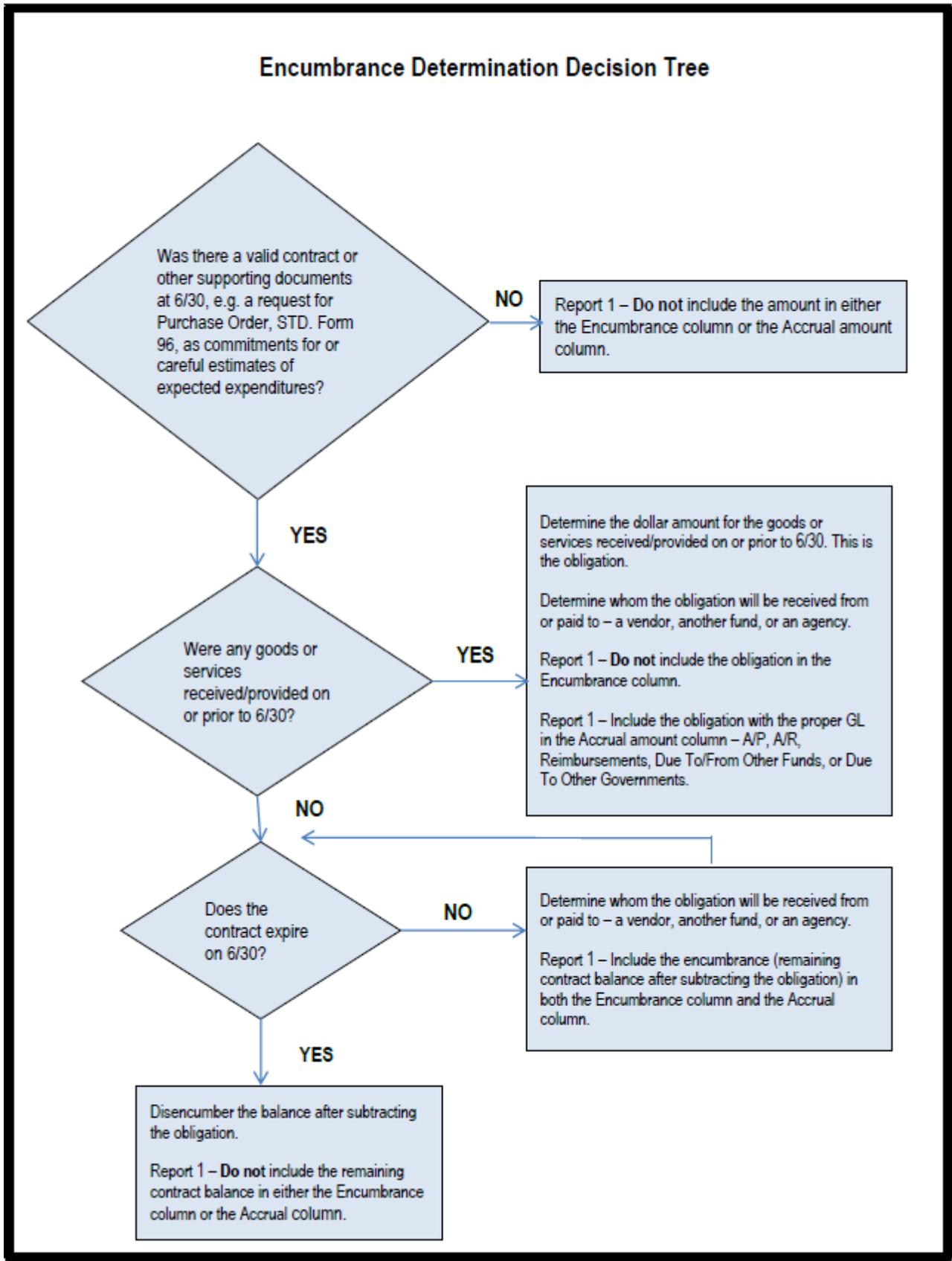
SAM section 8343 (Capital Outlay) states that agencies may encumber the estimated amounts of such expenditures (purchases of real property) by using Purchase Order/Estimate Change Request Form, STD. 96, as an internal accounting document.

- The amount encumbered must be related to the amount of goods or services that were ordered but not yet received as of June 30 of the reporting year.
- If a contract expires on June 30 of the reporting year, accrue as a liability only those goods or services that have been received on or prior to June 30. Determine to whom the obligation will be paid and, if necessary, reclassify the obligation to the true liability GL account. **Do not** record obligations as encumbrances.

Encumbrances may be reported in one liability account, Accounts Payable GL 3010. The total encumbrances will be shown as a credit in the Encumbrances column for GL 3010 on Report 1. However, if agency automated accounting systems maintain separate liability accounts, agencies may report the encumbrances in the applicable liability GL (e.g., due to).

- The amount encumbered may not exceed the amount accrued on any given liability line on Report 1.

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



Encumbrance Examples

Example 1:

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

Report 1 Entries:

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

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

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

Example 2:

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

Report 1 Entries:

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

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

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

Example 3:

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

Report 1 Entries:

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

Example 3: (cont.):

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

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

Example 4:

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

Report 1 Entries:

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

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

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

Report 1 and SCO Entries

Accounts Payable (GL 3010)		Appropriation Expenditure (GL 9000)	
(B) \$ 60,000	\$ 100,000 (G)	(A) \$ 100,000	\$ 60,000 (B)
(B) <u>24,000</u>	<u>31,000 (G)</u>	(A) 50,000	30,000 (I)
	<u>\$ 47,000 (E)</u>	(A) 10,000	5,000 (K)
		(A) <u>31,000</u>	<u>24,000 (B)</u>
		(F) <u>\$ 72,000</u>	
Due To Local Government (GL 3220)		Due To Other Funds (GL 3114.XXXX)	
(I) \$ 30,000	\$ 50,000 (H)	(K) \$ 5,000	\$ 10,000 (J)
	<u>\$ 20,000 (C)</u>		<u>\$ 5,000 (D)</u>

Post the encumbrance to the appropriate (true) liability GL. DO NOT post the sum of all encumbrances into Accounts Payable (GL 3010). See Report 1 Example.

REPORT NO. 1 Form 571 A/B (Rev. 4/17)

Report of Accruals to Controller's Accounts

SCO USE ONLY			
Document No.	C Y Y M M D	Fund	Agency
A			

June 30, 20XX

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

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

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590		
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			*1600		
EXPENSE ADVANCES			1710		
ACCOUNTS PAYABLE	84,000.00	C	3010	131,000.00	C
CLAIMS FILED			3020		
DUE TO OTHER FUNDS	(K) → 5,000.00	C	3114	0002 (J) → 10,000.00	C
DUE TO OTHER APPROPRIATIONS			3115		
DUE TO LOCAL GOVERNMENT	(I) → 30,000.00	C	3220		
REVENUE COLLECTED IN ADVANCE			3410		
REIMBURSEMENTS COLLECTED IN ADVANCE			3420		
UNCLEARED COLLECTIONS			3730		
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND			1730	0602	

Sum of (B)'s: 60,000 + 24,000 = 84,000.

Sum of (A)'s: 100,000 + 50,000 + 10,000 + 31,000 = 191,000

The accruals less encumbrances = total expenditures [191,000 - 119,000 = 72,000]. The encumbrance total [119,000] is reclassified as *Reserve for Encumbrances* and shown as part of fund balance on the financial statements.

Net Credits/Debits	119,000.00	C	Net Credits/Debits	191,000.00	C
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ORIGINAL - State Controller's Office, State Accounting and Reporting Division

Accrual Worksheet (Report 2)

The Accrual Worksheet (Report 2) provides agencies with a uniform and systematic method of compiling year-end accruals. Accruals consist of the assets, liabilities, deferred credits, and the corresponding receipts and disbursements reflected in the agency's records but not recorded in the SCO cash basis accounts as of June 30. For more information, see illustration of Report 2 on the following page and refer to SAM section 7953 at: https://www.dgsapps.dgs.ca.gov/documents/sam/SamPrint/new/sam_master/sam_master_file/chap7900/7953.pdf

Report 2 is the supporting worksheet for Report 1, Report of Accruals to Controller's Accounts. Report 2 is the first report to be completed.

The amounts in the Net Total Accruals per Agency column, the column totals for the assets and liabilities, and the amounts in the Deferred Credits column are posted to the corresponding accounts on Report 1.

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

SCO will refer to Report 2 to obtain additional information that may help resolve any Report 1 discrepancies.

For more information regarding the use of program codes, go to the Uniform Codes Manual on DOF's website: http://www.dof.ca.gov/Accounting/Policies_and_Procedures/Uniform_Codes_Manual/

Adjustments to Controller's Accounts (Report 3)

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

All adjusting entries must be accompanied by an attachment (e.g., journal entry, transaction request, budget revision, etc.) explaining the reason for the adjustment. These entries must be submitted, approved, and posted by the SCO BAC before Report 3 will be processed for year-end reporting. Each entry on Report 3 must be identified by a number that references an explanation identified by the same number. This number should be placed to the right of the amount on Form 576B.

Report 3 consists of the following forms:

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

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

General Instructions

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

Specific Instructions

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

Form 576A

- 1 **Agency Name and Number:** Enter the agency name and number.
- 2 **Fund Name and Number:** Enter the fund name and number.

- 3 **Name of Contact Person and Title:** Enter the name and title of the person to contact with questions concerning this report.
- 4 **Telephone Number:** Enter the contact person's telephone number.
- 5 **Email Address:** Enter the contact person's email address.
- 6 **Account:** Enter the proper four-digit account number on this form using the lowest level account numbers listed in the Uniform Codes Manual. **Do not** enter a subsidiary number unless it is required, as discussed below.

Enter the four-digit fund number (FFFF) immediately following the GL account numbers listed below to identify the other fund involved in an interfund transaction.

- 1410.FFFF Due From Other Funds
- 1730.FFFF Prepayments to Other Funds/Appropriations
- 3114.FFFF Due To Other Funds
- 5330.FFFF Reserve for Prepaid Items (enter the same fund number as GL 1730)

For prepayments, see SAM section 10514 and 10517.

Enter the four-digit agency code (AAAA) of the other agency involved in the inter-agency transaction as the subsidiary number immediately following the GL account number listed below. If the AAAA is your own agency, the amounts of these two accounts must agree with each other.

- 1420.AAAA Due From Other Appropriations
- 3115.AAAA Due To Other Appropriations

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

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

REMINDER:

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

Fill out the Due To/From Other Funds/Appropriations Supplemental Form to provide SCO with information identifying the agency code(s) and agency name(s) related to the Due To/From Other Fund/Appropriation transactions submitted on Report 3.

- 7A **Amount:** Post adjustments to the appropriate GL accounts. The amounts entered here should only be adjustments to correct the account balances on the SCO June 30 records.
- 7B **D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 7C **Net Debits/Credits:** Enter the net of the debits and credits in the Amount column and indicate it as C or D.

Form 576B

- 8 **Appropriation and Revenue Account Titles:** The titles of each disbursement, reimbursement, transfer, and receipt account are preprinted in this column. These accounts are the same as those on the monthly agency reconciliation reports.

If there is an error on the SCO records involving Prepayments to Other Funds, only the expenditures should be adjusted, not the Prepayments to Other Funds account.

REMINDER:

List the four-digit agency code on the Due To/From Other Funds/Appropriations Supplemental Form. If an adjustment between accounts involves the same fund but different agencies, the offsetting account to the appropriate disbursement, reimbursement, transfer, or receipt account is GL Account Number 1420.AAAA, Due From Other Appropriations, or GL Account Number 3115.AAAA, Due To Other Appropriations. **If the AAAA is your own agency, the amounts of these two accounts have to agree with each other.**

If there is an adjustment between accounts within the same fund and agency, only the appropriate disbursement, reimbursement, transfer, or receipt accounts should be adjusted.

- 9 **FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is filled in this column.
- 10 **M:** This column is for SCO use only.
- 11 **REF/ITEM:** The reference item corresponding to each disbursement, reimbursement, and transfer account must be indicated in this column.
- 12 **CAT through TASK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account must be indicated in these columns.
- 13 **T:** The appropriate letter identifying the account type, as shown below, must be indicated in this column.

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

- 14 Source Fund:** Enter the source fund corresponding to each reimbursement account. The source fund consists of a four-digit fund number with a three-digit sub-fund number. If there is no sub-fund detail, the spaces following the four-digit fund number will be filled with zeros.
- 15 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 16 SCO:** Enter a zero (0).
- 17 Revenue/Object:** Enter the six-digit code for each receipt account.
- 18A Amount:** Post adjustments to the appropriate disbursement, reimbursement, transfer, or receipt account. The amounts entered should only be an adjustment to correct the account balances on the SCO June 30 records.
- 18B D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 18C Net Debits/Credits:** Enter the net of the debits and credits in the Accrual Amount column and indicate it as D or C.
- 19 Attachment No.:** Enter a number referring to the supporting documentation with the same number. Supporting documents are required for each adjusting entry (e.g., a copy of the transaction request sent to BAC, etc.).

REPORT NO. 3 Form 576 A (Rev. 7/19)

Adjustments to Controller's Accounts

June 30, 20XX

Page _1_ of _2_

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
B			

Agency Name and Number ① Department of Training (1234)		Fund Name and Number ② Training Support Fund (4321)	
Name of Contact Person, Title ③ U.R. Dunne, Accounting Officer		Telephone Number ④ (916) 123-4567	Email Address ⑤ R.Dunne@training.ca.gov

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

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

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

STATE OF CALIFORNIA
OFFICE OF THE STATE CONTROLLER
TRANSACTION REQUEST

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

PAGE 1 OF 1

Agency: Department of Training (1234)	Address:	Agency Document Number:
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FUND	AGY	FY	M	REF / ITEM	FED CAT	P/N	C	CAT	PGM	ELE	COMP	TASK	ACCT	REV / OBJ	AMOUNT	D	C	A	T	O	B	SOURCE FUND
4321	4720	2011		001					10						949.84	D	D					
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
Cor Sch 9466098 5-1-2012																						
4321	1234	2011		001					10						949.84	C	D					
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
Cor Sch 9466098 5-1-2012																						
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								

Attachment #1

<p>TYPE OF TRANSACTION: Correction of claim schedule 9466098, dated 5-1-20XX, paid by warrant number 08-211186.</p> <p>LEGAL AUTHORITY AND REASON FOR REQUEST:</p> <p>The agency code referenced on the claim was 1234 but should have been 4720. Efforts have been taken to ensure all manually prepared claim schedules are reviewed prior to submission.</p>	<p>I hereby certify under penalty of perjury that I am the duly appointed, qualified, and acting officer of the herein named State agency, department, board, commission, office or institution; that the within transfer is in all respects true, correct, and in accordance with all applicable provisions or restrictions in the Budget Act, Federal Regulations, or other statute pertaining to the particular appropriation.</p> <p>AUTHORIZED SIGNATURE:</p> <p>CONTACT PERSON: U.R. Dunne PHONE FOR CONTACT: (916) 123-4567</p> <p>E-MAIL FOR CONTACT: UR.Dunne@training.ca.gov DATE: 6/29/20XX</p>
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NOT TO BE USED AS A CONTROLLER'S REMITTANCE ADVICE

CA 504 PC VERSION (03/2006)

Statement of Revenue (Report 4)

The Statement of Revenue (Report 4) provides agencies with a method of reconciling the total revenue on the agency records with the total revenue on the SCO records as of June 30.

Refer to SAM section 7956 for an illustration of Report 4. An example can be found on the following page.

Report 4 must include the following:

- Only current year revenues (GL8000, Source 1XXXXX for Governmental Cost Funds and Source 2XXXXX for Bond Funds), are reported on the Statement of Revenue. No other receipt sources are included on Report 4.
- A reconciliation of the total revenue per the agency's records with the total revenue per the SCO records as of June 30. Revenue accruals reported on the Report of Accruals to Controller's Accounts (Report 1) and/or adjustments reported on the Adjustments to Controller's Accounts (Report 3) will be the reconciling factors.

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

SCO will refer to Report 4 to obtain additional information that may help resolve any Report 1 and/or 3 discrepancies.

REPORT 4 – YEAR END STATEMENT OF REVENUE

Department of Training – 1234

Fund 4321

Fiscal Year 20XX-XX

As of 06/30/20XX

Business Unit : 1234 – Department of Training
Fund : 4321 – Training Support Fund
Subfund:
Enactment Year : 2018

Report ID : RPTGL065
Run Date : 8/20/2019
Run Time : 14:02:11
Adjustment Period : 998

<u>Account</u>	<u>Description</u>	<u>Actual Revenues</u>	<u>Total</u>
161400	Miscellaneous Revenue	1,110.46	
163000	Settlements – Other	606,318.60	
164900	Donations	3,500.00	
Total Fund	4321		610,929.06

RECONCILIATION OF STATE CONTROLLER'S REVENUE WITH STATEMENT OF REVENUE, JUNE

TOTAL REVENUE PER STATE CONTROLLER'S OFFICE ACCOUNTS		<u>610,729.06</u>
RECONCILING FACTORS:		
ACCRUALS PER REPORT OF ACCRUALS	<u>200.00</u>	
ADJUSTMENT TO CONTROLLER'S ACCOUNTS	_____	<u>200.00</u>
TOTAL REVENUE PER STATEMENT OF REVENUE		610,929.06

Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records (Report 5)

The Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records (Report 5) provides agencies with a method of reconciling the agency's appropriation balances with the SCO balances as of June 30.

The reconciling factors include the following:

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

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

A computer generated form is available on the SCO website for each appropriation that exists in the SCO records as of June 30 at https://www.sco.ca.gov/ard_reporting.html. Do not change any of the preprinted amounts on this form. Agencies may create their own Report 5 (Form 573) for appropriations that were effective prior to July 1, but were not set up in the SCO records by June 30. The form must be in the same format as the SCO's computer generated forms.

SCO will refer to Report 5 to obtain additional information that may help resolve any Report 1 and/or 3 discrepancies.

Supporting Documentation Required

Supporting documents are required for budget adjustments that increase or decrease appropriation balances as reflected on the Report 5. The supporting documentation (i.e., budget letters, allocation orders, executive orders, pending claim schedule, etc.) will allow SCO to confirm the validity of the amount reported as an increase or decrease of the appropriation authority and help identify overdrafts for a specific item within the appropriation.

If the agency submits its year-end financial reports manually and posts accruals against reverted appropriations with pending claim schedules, include the following notation as a footnote on Report 5:

The amount on the pending budget revisions, allocation orders, and/or executive orders line in the Appropriation Balance column is there to cover an accrual posted for a pending claim schedule.

General Instructions

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

Specific Instructions

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

Form 573

- | | | |
|---|--|---|
| 1 | Fund, FY, and Item: | A separate Report 5 should be used for each appropriation maintained by SCO. |
| 2 | June 30 Account Balance per State Controller's Records: | The total expenditure amount and the appropriation balance per SCO records as of June 30 are preprinted on this line. Do not alter these amounts. |
| 3 | Reverse Prior Year Adjustments to Controller's Accounts: | The reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report 3) is preprinted in the Expenditures column. Do not alter this amount. If the agency does not agree with the preprinted amount, provide a footnote to indicate the amount per the agency's records. |
| 4 | Reverse Prior Year Expenditures/ Reimbursements Accrued: | The reversal of the accruals reported on the previous year's Report of Accruals to Controller's Accounts (Report 1) is preprinted in the Expenditures column. Do not alter this amount. If the agency does not agree with the preprinted amount, provide a footnote to indicate the amount per the agency's records. |
| 5 | Reverse Prior Year Corrections Made by Controller's Office: | The reversal of the corrections made by SCO to the previous year's Report 1 and/or 3 is preprinted in the Expenditures column. Do not alter this amount. If the agency does not agree with the preprinted amount, provide a footnote to indicate the amount per the agency's records. |
| 6 | Apply Current Year Adjustments to Controller's Accounts: | Enter the total current year adjustments to the appropriation as reported on the Adjustments to Controller's Accounts (Report 3), Form 576B. Enter the amount in both the Expenditures and Appropriation Balance columns. |
| 7 | Apply Accruals per Report of Accruals to Controller's Accounts: | Enter the current year accruals for each category or program as reported on the Report of Accruals to Controller's Accounts (Report 1), Form 571C and 571D. Enter these amounts in both the Expenditures and Appropriation Balance columns, with the exception of the Office Revolving Fund Advance (Category 97) accrual, which must be reported in the Appropriation Balance column only. |

- 8 **Pending Budget Revisions/Allocation Orders/Executive Orders:** Enter the increase or decrease of the appropriation balance in the Appropriation Balance column for the following:
- Executive orders dated June 30 or earlier that were issued by DOF but not recorded by SCO as of June 30 (per SAM section 7957).
 - Budget revisions that were approved by DOF but not recorded by SCO as of June 30.
 - Allocation orders not recorded by SCO as of June 30.
- REMINDER:** These transactions must be approved and posted by the SCO BAC before they are processed for year-end reporting. Include supporting documents to support any amounts reported on the pending budget revision, allocation order, and/or executive order line in the Appropriation Balance column. Copies of the budget revision, allocation order, and/or executive order are appropriate supporting documents.
- 9 **Advances to Other Funds and Prepayments to Service Revolving Fund:** The balance in the SCO records for Category 96 and/or 98 is preprinted in the Appropriation Balance column. **Do not** alter this amount. Fill in the balance from SCO records for Categories 97 and 99 in the Appropriation Balance column, if applicable.
- 10 **Total:** Enter the net total for each column. The total of the Appropriation Balance column must be zero or a credit balance.

REPORT NO. 5

JUNE 30, 20XX

**FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573**

AGENCY: 1234 DEPT OF TRAINING
FUND: 4321000 TRAINING SUPPORT FUND
FY: 2016 ITEM: 001 ①

CHAPTER NO. 23/16

ITEM NO. 1234-001-4321

		EXPENDITURES	APPROPRIATION BALANCE
JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	②	168,803.36	
REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	③		
REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	④	-150,141.99	
REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	⑤		
<hr/>			
APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	⑥	_____	_____
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	⑦		
SCO ACCOUNT CODE			
10	6770 – STATE BUDGET	_____	_____
15	6775 – FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA	_____	_____
20	6780 – STATE AUDITS AND EVALUATIONS	_____	_____
30	6785 – STATEWIDE ACCOUNTING POLICIES, CONSULTING AND	_____	_____
32	6790 – DEPARTMENT OF JUSTICE LEGAL SERVICES	_____	_____
37	6800 – LOCAL GOVERNMENT AUDITS AND REVIEW	_____	_____
40 01	9900100 – ADMINISTRATION	_____	_____
40 02	9900200 – ADMINISTRATION - DISTRIBUTED	_____	_____
99	CALSTARS CLEARING ACCOUNT	_____	_____
80	GENERAL FUND CASH FLOW LOAN	_____	_____
90 10	REIMBURSEMENTS TO 6770 – STATE BUDGET	_____	_____
96	STATE COMPENSATION INSURANCE FUND DEPOSIT	_____	_____
97	REVOLVING FUND ADVANCE	_____	_____ } ⑨
<hr/>			
PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS	⑧	_____	_____
TOTAL ⑩		18,661.37	0.00 *

* Appropriation reverted on June 30, 2019

REPORT NO. 5

JUNE 30, 20XX

FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573

AGENCY: 1234 DEPT OF TRAINING

FUND: 4321000 TRAINING SUPPORT FUND

FY: 2017 ITEM: 001 ①

CHAPTER NO. 14/17

ITEM NO. 1234-001-4321

		EXPENDITURES	APPROPRIATION BALANCE
JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	②	-1,798,298.81	-7,029,474.66
REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	③	-900,000.00	
REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	④	2,584,529.50	
REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	⑤		
<hr/>			
APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	⑥		
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	⑦		
SCO ACCOUNT CODE			
10	6770-STATE BUDGET	1,948.41	1,948.41
15	6775-FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA		
20	6780-STATE AUDITS AND EVALUATIONS	317.63	317.63
30	6785-STATEWIDE ACCOUNTING POLICIES, CONSULTING AND	2,348.04	2,348.04
32	6790-DEPARTMENT OF JUSTICE LEGAL SERVICES		
37	6800-LOCAL GOVERNMENT AUDITS AND REVIEW	-423.65	-423.65
40 01	9900100-ADMINISTRATION	-3,619.10	-3,619.10
40 02	9900200-ADMINISTRATION - DISTRIBUTED	3,619.10	3,619.10
99	CALSTARS CLEARING ACCOUNT	-1,601.91	-1,601.91
90 10	REIMBURSEMENTS TO 6770-STATE BUDGET		
90 15	REIMBURSEMENTS TO 6775-FINANCIAL INFORMATION SYSTEM		
90 20	REIMBURSEMENTS TO 6780-STATE AUDITS AND EVALUATIONS		
90 30	REIMBURSEMENTS TO 6785-STATEWIDE ACCOUNTING		
96	STATE COMPENSATION INSURANCE FUND DEPOSIT		
97	REVOLVING FUND ADVANCE		
98	ADVANCE TO SERVICE REVOLVING FUND-OTHER SERVICES		
<hr/>			
PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS	⑧		
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TOTAL	⑩	-111,180.79	-7,026,886.14

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REPORT NO. 5

JUNE 30, 20XX

**FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573**

AGENCY: 1234 DEPT OF TRAINING
FUND: 4321000 TRAINING SUPPORT FUND
FY: 2018 ITEM: 001 ①

CHAPTER NO. 29/18

ITEM NO. 1234-001-4321

		EXPENDITURES	APPROPRIATION BALANCE
JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	②	33,656,262.29	-2,434,031.95
REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	③		
REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	④		
REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	⑤		
<hr/>			
APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	⑥	-1,186.95	-1,186.95
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	⑦		
SCO ACCOUNT CODE			
10	6770 – STATE BUDGET	4,130,346.56	4,130,346.56
15	6775 – FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA	2,117,081.67	2,117,081.67
20	6780 – STATE AUDITS AND EVALUATIONS	1,511,718.59	1,511,718.59
30	6785 – STATEWIDE ACCOUNTING POLICIES, CONSULTING AND	1,070,953.06	1,070,953.06
32	6790 – DEPARTMENT OF JUSTICE LEGAL SERVICES	73,958.92	73,958.92
37	6800 – LOCAL GOVERNMENT AUDITS AND REVIEW	1,947,983.36	1,947,983.36
40 01	9900100 – ADMINISTRATION	1,541,657.77	1,541,657.77
40 02	9900200 – ADMINISTRATION – DISTRIBUTED	-1,541,657.77	-1,541,657.77
99	CALSTARS CLEARING ACCOUNT	-9,524,369.29	-9,524,369.29
90 10	REIMBURSEMENTS TO 6770 – STATE BUDGET	-351,005.01	-351,005.01
90 15	REIMBURSEMENTS TO 6775 – FINANCIAL INFO SYS	-564,833.46	-564,833.46
90 20	REIMBURSEMENTS TO 6780 – STATE AUDITS & EVAL	-469,994.41	-469,994.41
90 30	REIMBURSEMENTS TO 6785 – STATEWIDE ACCT POLICIES, CONSULTING	-808,273.59	-808,273.59
96	STATE COMPENSATION INSURANCE FUND DEPOSIT		-6,705.76
97	REVOLVING FUND ADVANCE		-200,000.00
98	ADVANCE TO SERVICE REVOLVING FUND – OTHER SERVICES		-42,000.00
<hr/>			
PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS			
	⑧		
TOTAL		32,788,641.74	-3,550,358.26

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REPORT NO. 5

JUNE 30, 20XX

FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573

AGENCY: 1234 DEPT OF TRAINING

FUND: 4321000 TRAINING SUPPORT FUND

FY: 2018 ITEM: 501 ①

CHAPTER NO. 322/18

ITEM NO. 1234-501-4321

		EXPENDITURES	APPROPRIATION BALANCE
JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	②	41,783.15	-41,783.15
REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	③		
REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	④		
REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	⑤		
<hr/>			
APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	⑥		
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	⑦		
SCO ACCOUNT CODE			
10	6770 – STATE BUDGET	61,623.46	-61,623.46
15	6775 – FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA		
20	6780 – STATE AUDITS AND EVALUATIONS		
30	6785 – STATEWIDE ACCOUNTING POLICIES, CONSULTING AND		
32	6790 – DEPARTMENT OF JUSTICE LEGAL SERVICES		
37	6800 – LOCAL GOVERNMENT AUDITS AND REVIEW		
40 01	9900100 – ADMINISTRATION		
40 02	9900200 – ADMINISTRATION - DISTRIBUTED		
99	CALSTARS CLEARING ACCOUNT		
90 10	REIMBURSEMENTS TO 6770 – STATE BUDGET		
90 15	REIMBURSEMENTS TO 6775 – FINANCIAL INFO SYS		
90 20	REIMBURSEMENTS TO 6780 – STATE AUDITS & EVAL		
90 30	REIMBURSEMENTS TO 6785 – STATEWIDE ACCT POLICIES, CONSULTING		
96	STATE COMPENSATION INSURANCE FUND DEPOSIT		
97	REVOLVING FUND ADVANCE		
98	ADVANCE TO SERVICE REVOLVING FUND – OTHER SERVICES		
	PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS ⑧		
	TOTAL ⑩	103,406.61	-103,406.61

} ⑨

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

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

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

The balances in both reports reflect the accruals as reported on the Report of Accruals to Controller's Accounts (Report 1) and/or the adjustments as reported on the Adjustments to Controller's Accounts (Report 3).

SCO will refer to Reports 7 and 8 to obtain additional information that may help resolve any Report 1 and/or 3 discrepancies.

Refer to SAM section 7962 for illustrations of Reports 7 and 8.

Submit the Subsidiaries on File Report, which will provide SCO with the required subsidiary numbers.

Report 7 – Statewide assessment expenditures and Pro Rata charges should be reported by the administering agency or fund administrator.

Since FY 2017-18, FSCU costs and SCO GAAP assessments are consolidated in the Pro Rata and SWCAP plans. They are no longer separately allocated. A portion of FI\$Cal costs, such as licensed user fees, is also recorded under Pro Rata. However, the one-time project costs of FI\$Cal remain separate from Pro Rata as statewide assessment costs and are recorded under Business Unit (BU) 8880.

The administering agency or fund administrator is responsible for recording and reporting statewide assessment expenditures and Pro Rata charges on Report 7, although the expenditures are charged under other agency code(s) for the following statewide projects: FI\$Cal's BU 8880 and Pro Rata's BU 9900. These expenditures are the shared costs associated with statewide projects.

For shared funds, only the administering agency will record and report these statewide assessments and Pro Rata charges.

Total expenditures reported on Report 7 must agree with the total expenditures reported on Report 15.

For the administering agency or fund administrator, the statewide assessment expenditures and Pro Rata charges will be reported in the Appropriation Expenditures GL 9000 column on Report 15.

Abnormal Balance(s) Explanation Required

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

The following are examples of abnormal balances:

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

Fund balance is the excess of assets over liabilities. Normally, the ending fund balance on Report 8, (Post-Closing Trial Balance), should have either a zero or a credit balance.

If GL 5530 (Fund Balance-Unappropriated) in a non-shared fund is a debit amount on Report 8, a footnote explanation is required.

REPORT 7 – PRE-CLOSING TRIAL BALANCE
Department of Training – 1234
Fund 4321
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit:	1234 – Department of Training	Report ID:	RPTGL068
Fund:	4321 – Training Support Fund	Run Date:	8/9/20XX
Subfund:		Run Time:	17:15:54
		Adjustment Period:	998

GLAN	ACCOUNT TITLE	DEBITS	CREDIT S
1110	General Cash – CTS Accounts	90.00	
1130	Revolving Fund Cash	188,289.14	
1190	Cash on Hand	100.00	
1311	AR – Abatements	10,201.06	
1312	AR – Reimbursements	2,205.00	
1319	AR – Other	450.93	
*1410	Due from Other Funds	2,451,007.33	
*1420	Due from Appropriations – Same Fund	11,269,849.46	
*1600	Provision for Deferred AR		450.93
1710	Expense Advances	636.42	
*1730	Prepay to Other Funds/Appropriations	498,705.76	
3010	Accounts Payable		1,484,665.91
*3114	Due to Other Funds		164,956.15
*3115	Due to Other Appropriations – Same		11,269,849.46
3290	Due to Other Government Entities		395.27
3420	Unearned Reimbursements		900,000.00
3730	Uncleared Collections		90.00
5330	Reserve – Prepaid Items		450,000.00
5570	Fund Balance – Clearing		1,793,602.13
65	Unapp InterUnit Transfers		30,494,670.01 (1)
8000	Revenue		611,361.81
8100	Reimbursements		15,875,776.48
9000	Appropriated Expenses	48,675,305.41	
9891	Refunds to Reverted Appropriation		51,022.36 (2)
Fund	4321	63,096,840.51	63,096,840.51

* Subsidiary fund number, agency code, or GL account is needed unless a Subsidiaries on File report is submitted.
(1) GL 65 (Unapp InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury).
This amount was closed out to GL 5570 (Fund Balance – Clearing) for shared fund in legacy system.
(2) Receipt of money for reverted appropriation.

REPORT 8 – POST-CLOSING TRIAL BALANCE

Department of Training – 1234

Fund 4321

Fiscal Year 20XX-XX

As of 06/30/20XX

Business Unit:	1234 – Department of Training	Report ID:	RPTGL069
Fund:	4321 – Training Support Fund	Run Date:	8/9/2019
Subfund:		Run Time:	17:33:04
		Adjustment Period:	998

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1110	General Cash – CTS Accounts	90.00	
1130	Revolving Fund Cash	188,289.14	
1190	Cash on Hand	100.00	
1311	AR – Abatements	10,201.06	
1312	AR – Reimbursements	2,205.00	
1319	AR – Other	450.93	
*1410	Due From Other Funds	2,451,007.33	
*1420	Due From Approps – Same Fund	11,269,849.46	
*1600	Provision For Deferred AR		450.93
1710	Expense Advances	636.42	
*1730	Prepay to Other Funds/Approps	498,705.76	
3010	Accounts Payable		1,484,665.91
*3114	Due to Other Funds		164,956.15
*3115	Due to Other Approps – Same Fund		11,269,849.46
3290	Due to Other Govt Entities		395.27
3420	Unearned Reimbursements		900,000.00
3730	Uncleared Collections		90.00
5330	Reserve – Prepaid Items		450,000.00
5570	Fund Balance – Clearing		151,127.38
Fund	4321	14,421,535.10	14,421,535.10

* Subsidiary fund number, agency code, or GL account is needed unless a Subsidiaries on File report is submitted.

REPORT 8 – SUBSIDIARIES ON FILE
 Department of Training – 1234
 Fund 4321
 Fiscal Year 20XX-XX
 As of 06/30/20XX

Business Unit : 1234 – Department of Training
 Fund : 4321 – Training Support Fund
 Subfund :

Report ID : RPTGL114
 Run Date : 8/1/2019
 Run Time : 08:23:56
 Adjustment Period: 998

ACCOUNT	ACCOUNT TITLE		DEBITS	CREDITS
	SUBSIDIARY	SUBSIDIARY TITLE		
1410		DUE FROM OTHER FUNDS		
	0042	STATE HIGHWAY ACCOUNT, STF	3,987.00	
	0048	TRANSPORTATION REVOLVING ACCOUNT	141,666.49	
	0115	AIR POLLUTION CONTROL FUND	35,819.00	
	0133	CALIFORNIA BEVERAGE CONTAINER	50,127.00	
	0666	SERVICE REVOLVING FUND	32,328.15	
	0691	WATER RESOURCES REVOLVING FUND	61,134.41	
	0890	FEDERAL TRUST FUND	88,087.03	
	0917	INMATE WELFARE FUND	38,391.50	
	3238	STATE PARKS REVENUE INCENTIVE	392.00	
	605100001	SFDRWTRQU/SFLDCTRL,RVRCSTL	26,239.50	
	9730	TECHNOLOGY SERVICES REVOLVING	740,293.05	
	9737	FISCAL INTERNAL SERVICES FUND	632,814.00	
	9740	CENTRAL SERVICE COST RECOVERY	599,728.20	
	TOTAL ACCOUNT	1410	2,451,007.33	
1420		DUE FROM APPROPS – SAME FUND		
	1234	DEPARTMENT OF TRAINING	11,269,849.46	
	TOTAL ACCOUNT	1420	11,269,849.46	
1600**		PROVISION FOR DEFERRED AR		
	013190000			450.93
	TOTAL ACCOUNT	1600		450.93
1730		PREPAY TO OTHER FUNDS/APPROPS		
	0512	STATE COMPENSATION INSURANCE FUND	6,705.76	
	0602	ARCHITECTURE REVOLVING FUND	450,000.00	
	066600001	SERVICE REVOLVING FUND	42,000.00	
	TOTAL ACCOUNT	1730	498,705.76	
3114		DUE TO OTHER FUNDS – CURRENT		
	0512	STATE COMPENSATION INSURANCE FUND		4,395.38
	0666	SERVICE REVOLVING FUND		23,019.86
	9730	TECHNOLOGY SERVICES REVOLVING		20,200.00
	9731	LEGAL SERVICES REVOLVING FUND		117,340.91
	TOTAL ACCOUNT	3114		164,956.15
3115		DUE TO OTHER APPROPS – SAME FUND		
	1234	DEPARTMENT OF TRAINING		11,269,849.46
	TOTAL ACCOUNT	3115		11,269,849.46
3420		UNEARNED REIMBURSEMENTS		
	000000000			900,000.00
	TOTAL ACCOUNT	3420		900,000.00
5330		RESERVE – PREPAID ITEMS		
	060200000			450,000.00
	TOTAL ACCOUNT	5330		450,000.00
	TOTAL FUND	4321	1,434,306.01	

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

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

SCO will refer to Report 15 to obtain additional information that may help resolve any Report 1 and/or 3 discrepancies.

General Instructions

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

Specific Instructions

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

Report 15

- | | | |
|---|---|--|
| 1 | Account: | Enter all nominal accounts, including appropriation expenditures, reimbursements, revenue accounts, refunds to reverted appropriation, transfers in, transfers out, and other accounts from the monthly reconciliation report. |
| 2 | Transactions per Controller (column A): | Enter the balances per SCO records as of June 30. |
| 3 | Reverse Prior Year Adjustment to Controller's Accounts (column B): | Enter the reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report 3), Form 576B. |
| 4 | Reverse Prior Year Accruals (column C): | Enter the reversal of the accruals on the previous year's Report of Accruals to Controller's Accounts (Report 1), Forms 571C and 571D. |
| 5 | Reverse Prior Year Corrections Made by SCO (column D): | Enter the reversal of any prior year corrections made by SCO to Report 1 and/or 3. |

6	Apply Current Year Adjustments to Controller's Accounts (column E):	Enter the current year adjustments as reported on Report 3, Form 576B.
7	Apply Current Year Accruals (column F):	Enter the current year accruals for each revenue, expenditure, reimbursement, transfer in, and transfer out account as reported on Report 1, Forms 571C and 571D.
8	Appropriation Total (column G):	Enter the total of columns A through F.
		REMINDER: All Clearing Account balances in column G must be zero.
9	Appropriation Expenditures (column H):	Enter the amount from the total in column G that applies to GL Account 9000. This amount must agree with the amount on the Pre-Closing Trial Balance (Report 7).
10	Reimbursements (column I):	Enter the amount from the total in column G that applies to GL Account 8100. This amount must agree with the amount on Report 7.
11	Revenue (column J):	Enter the amount from the total in column G that applies to GL Account 8000. This amount must agree with the amount on Report 7.
12	Refunds to Reverted Appropriations (column K):	Enter the amount from the total in column G that applies to GL Account 9891. This amount must agree with the amount on Report 7.
13	Prior Year Appropriation Adjustments (column L):	Enter the amount from the total in column G that applies to GL Account 9893. This amount must agree with the amount on Report 7.
14	Prior Year Revenue Adjustments (column M):	Enter the amount from the total in column G that applies to GL Account 9892. This amount must agree with the amount on Report 7.
15	Transfer In (column N):	Enter the amount from the total in column G that applies to GL Account 9811. This amount must agree with the amount on Report 7.
16	Transfer Out (column O):	Enter the amount from the total in column G that applies to GL Account 9812. This amount must agree with the amount on Report 7.

**17 Statewide Assessments
and Pro Rata (column P):**

Enter the amounts for statewide assessments charges against the fund. The SCO journal entry for these assessments will display the agency code of the agency assessing the charges (e.g., 8880 for FISCAL and 9900 for Pro Rata).

Administering agencies should record the statewide assessment and Pro Rata charges as expenditures and enter them in the Appropriation Expenditures column on Report 15. The total amount in the Appropriation Expenditure column on Report 15 must agree with total expenditures on Report 7.

Include all nominal GL accounts: A separate column must be included for each nominal GL account (GLs 8000 – 9999) that appears on Report 7 and for statewide assessments and Pro Rata charges, if applicable. Additional columns may be added or unused columns may be relabeled or deleted as needed.

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

AGENCY 1234 - DEPARTMENT OF TRAINING
FUND 4321 - TRAINING SUPPORT FUND

Report No. 15

RECONCILIATION OF AGENCY ACCOUNTS WITH TRANSACTIONS PER STATE CONTROLLER
FISCAL YEAR ENDING JUNE 30, 20XX

Accounts	Transactions Per State Controller 06/30/19	Reverse Prior Year			Apply Current Year		TOTAL	Transactions per Agency Accounts								
		Adjustments To SCO Accounts	Accruals	Corrections Made by Controller's	Adjustments To SCO Accounts	Accruals		Approp. Expend (9000)	Appropriation Reimb (8100)	Revenue 8000	Refunds to Reverted Approp (9891)	PY Approp Adj (9893)	PY Revenue Adj (9892)	Transfer In (9811)	Transfer Out (9812)	Statewide Assessments and Pro Rata
(1)	(A) (2)	(B) (3)	(C) (4)	(D) (5)	(E) (6)	(F) (7)	(G) (8)	(H) (9)	(I) (10)	(J) (11)	(K) (12)	(L) (13)	(M) (14)	(N) (15)	(O) (16)	(P) (17)
Item 1234-001-4321																
Chapter 29/18, FY 2018/19																
Program 10, State Budget	16,556,690.39					4,130,346.56	20,687,036.95	20,687,036.95								
Program 15, Financial Information System for California	1,071,534.03					2,117,081.67	3,188,615.70	3,188,615.70								
Program 20, State Audits and Evaluations	7,776,272.81					1,511,718.59	9,287,991.40	9,287,991.40								
Program 30, Statewide Accounting Policies, Consulting, and Training	4,753,290.07					1,070,953.06	5,824,243.13	5,824,243.13								
Program 32, Department of Justice Legal Services	85,017.13					73,958.92	158,976.05	158,976.05								
Program 37, Local Government Audits and Review	7,597,538.02					1,947,983.36	9,545,521.38	9,545,521.38								
Program 40.01, Administration	6,727,948.11					1,541,657.77	8,269,605.88	8,269,605.88								
Program 40.02, Administration – Distributed	-6,727,948.11					-1,541,657.77	-8,269,605.88	-8,269,605.88								
Program 99, Clearing Account	9,525,556.24					-1,186.95	-9,524,369.29	0.00								
Category 90.10, Reimbursements to 6770 – State Budget	-1,985,483.45						-351,005.01	-2,336,488.46		-2,336,488.46						
Category 90.15, Reimbursements to 6775 – Financial Info Sys	-2,623,782.24						-564,833.46	-3,188,615.70								
Category 90.20, Reimbursements to 6780 – State Audits & Eval	-5,365,781.13						-469,994.41	-5,835,775.54								
Category 90.30, Reimbursements to 6785 – Statewide Acct Policies	-3,734,589.58						-808,273.59	-4,542,863.17								
Category 96, SCIF Deposit	6,705.76						-6,705.76	0.00								
Category 97, ORF Advance	200,000.00						-200,000.00	0.00								
Category 98, Advance to SRF – Other	42,000.00						-42,000.00	0.00								
Item 1234-501-4321																
Chapter 322/18, FY 2018/19																
Program 10, State Budget	41,783.15					61,623.46	103,406.61	103,406.61								
Item 1234-001-4321																
Chapter 14/17, FY 2017/18																
Program 10, State Budget	2,795,636.72		-2,901,530.82			1,948.41	-103,945.69	-103,945.69								
Program 15, Financial Information System for California	430,690.27		-429,647.79				1,042.48	1,042.48								
Program 20, State Audits and Evaluations	1,184,413.48		-1,188,311.63			317.63	-3,580.52	-3,580.52								
Program 30, Statewide Accounting Policies, Consulting, and Training	617,887.58	-57,501.26	-564,601.08			2,348.04	-1,866.72	-1,866.72								
Program 32, Department of Justice Legal Services	-13,308.18		13,308.18				0.00	0.00								
Program 37, Local Government Audits and Review	795,915.88		-826,288.96			-423.65	-30,796.73	-30,796.73								
Program 40.01, Administration	759,857.95		-770,091.22			-3,619.10	-13,852.37	-13,852.37								
Program 40.02, Administration – Distributed	-759,741.91		769,975.18			3,619.10	13,852.37	13,852.37								
Program 99, Clearing Account	-5,520,085.37	57,501.26	5,464,186.02			-1,601.91	0.00	0.00								
Category 90, Reimbursements	-2,089,565.23	-900,000.00	3,017,531.62				27,966.39	27,966.39								
Category 96, SCIF Deposit							0.00	0.00								
Category 97, ORF Advance							0.00	0.00								
Category 98, Advance to SRF – Other							0.00	0.00								
Item 1234-001-4321																
Chapter 23/16, FY 2016/17																
Program 10, State Budget	-113,474.78		115,821.56				2,346.78	2,346.78								
Program 15, Financial Information System for California	-657.34		657.34				0.00	0.00								
Program 20, State Audits and Evaluations	28,398.66		-14,312.74				14,085.92	14,085.92								
Program 30, Statewide Accounting Policies, Consulting, and Training	-6,454.42		7,439.48				985.06	985.06								
Program 32, Department of Justice Legal Services	-26,286.07		26,286.07				0.00	0.00								
Program 37, Local Government Audits and Review	238.29		1,005.32				1,243.61	1,243.61								
Program 40.01, Administration	-21,658.22		23,145.16				1,486.94	1,486.94								
Program 40.02, Administration – Distributed	21,658.22		-23,145.16				-1,486.94	-1,486.94								
Program 99, Clearing Account	287,039.02		-287,039.02				0.00	0.00								
Category 90, Reimbursements	0.00		0.00				0.00	0.00								
Category 97, ORF Advance							0.00	0.00								
Revenue 2018/19																
161000, Escheat, Checks, Warrants	0.00						0.00	0.00								
161400, Miscellaneous Revenue	-910.46					-200.00	-1,110.46	-1,110.46			-1,110.46					
163000, Settlements/Judgements	-606,318.60						-606,318.60	-606,318.60								
500000, Refunds to Reverted Appropriations	-3,500.00						-3,500.00	-3,500.00								
Revenue 2017/18																
161000, Escheat, Checks, Warrants							0.00	0.00								
161400, Miscellaneous Revenue	-800.00		800.00				0.00	0.00								
163000, Settlements/Judgements	-432.75						-432.75	-432.75			-432.75					
500000, Refunds to Reverted Appropriations	-51,022.36						-51,022.36	-51,022.36			-51,022.36					
Statewide Assessments																
SCO – GAAP Assessments							0.00	0.00								
DOF – FSCU Assessments							0.00	0.00								
FISCAL Assessments							0.00	0.00								
BU 9900 – PRO RATA																
TOTAL	31,654,271.58	-900,000.00	2,435,187.51	0.00	-1,186.95	-1,051,127.38	32,137,144.76	48,675,305.41	-15,875,776.48	-611,361.81	-51,022.36					0.00

Nongovernmental Cost Funds

Budgetary/Legal Basis Nongovernmental Cost Funds

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

Bond Funds are used to record proceeds from the sale of general obligation bonds and expenditures for the acquisition of property and capital outlay. They are also used to record loans to local agencies for the same purposes.

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

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

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

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

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

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

Required Year-End Reports for Nongovernmental Cost Funds

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

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	Report Description
3	—	576A	7955	Adjustments to Controller's Accounts
7	RPTGL068	—	7962	Pre-Closing Trial Balance
8	RPTGL069 RPTGL114	—	7962	Post-Closing Trial Balance (includes Subsidiaries on File)
9 ^a	RPTGL113	—	7963	Statement of Operations (Analysis of Change in Fund Balance)
13 ^b	RPTGL161	—	7974	Report of Expenditures of Federal Funds
20 ^a	RPTGL077	—	7979	Statement of Financial Condition

Special Reports^c:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	Report Description
14 ^d	—	STD. 445	7975	Report of Accounts Outside the State Treasury One report per agency Required even if there are no accounts to report
18 ^e	RPTGL075	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts One report per fund if there are amounts in any column: beginning balance/additions/deductions/ending balance
19 ^e	RPTGL076	—	7978	Statement of Capital Assets Group of Accounts One report per agency
22 ^f	—	—	7980	Statement of Contingent Liabilities One report per fund

(Continued)

- a. Required for non-shared funds, Federal Trust Fund (0890), Special Deposit Fund (0942), and Fiduciary Funds Outside the Centralized Treasury System (0990).
- b. Required for Federal Funds only. Submit the original signed report to DOF – FSCU and one copy to SCO.
- c. If the agency does not have amounts to report, the Certification Letter must indicate this for each report.
- d. Include all accounts used by the agency on one report.
- e. Failure to submit Report 18 and/or Report 19 will result in a disqualification for excellence in financial reporting.
- f. Not required for Fund 0990 (Fiduciary Funds Outside the Centralized Treasury System).

Supplemental Forms / Checklist:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	Report Description
—	RPTGL115	—	—	Due To/From Other Funds/Appropriations Supplemental Form ⁹ One report per fund
—	—	—	—	Material Variance Explanation Form One report per fund even if there is no activity to report
—	—	—	—	Checklist One report per fund even if there is no activity to report

(Concluded)

- g. If the agency accrues Due To/From Other Funds/Appropriation, General Ledger (GL) 3114.FFFF, 1410.FFFF, 3115.AAAA, and/or 1420.AAAA on Report 1, 3, and/or Revisions to Reports 1 and 3, it is required to complete the Due To/From Other Funds/Appropriations Supplemental Form. FFFF denotes fund and AAAA denotes agency.

Adjustments to Controller's Accounts (Report 3)

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

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

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

Only Form 576A should be used for Nongovernmental Cost Funds and completed in the same manner as Report 3 for Governmental Cost Funds. An attachment (e.g., transaction request, budget revision, etc.) explaining the reason for the adjustments must be included with this report. SCO will refer to the explanation of the adjustments to obtain additional information that may help resolve any discrepancies.

As Report 3, Form 576A, is used as a system input document by SCO, it is important for the agency to carefully follow the instructions for this report. Properly completed reports will enable SCO to accept entries without any further adjustments.

Following are two examples of when to use Report 3 for Nongovernmental Cost Funds:

Example 1:

The agency's Cash in State Treasury on Report 7 as of June 30 is *more* than the SCO's Cash in State Treasury balance at June 30:

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

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

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

The combination of the agency's Report 7 and Report 3 for Cash in State Treasury should equal the SCO's balance as of June 30:

<u>Agency Report 7</u>	<u>Agency Report 3</u>	<u>SCO June 30 Balance</u>
\$5,000.00	+ (\$2,000.00)	= \$3,000.00

Example 2:

The agency's Cash in State Treasury on Report 7 as of June 30 is *less* than the SCO's Cash in State Treasury balance at June 30:

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

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

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

The combination of the agency's Report 7 and Report 3 for Cash in State Treasury should equal the SCO's balance as of June 30:

<u>Agency Report 7</u>	<u>Agency Report 3</u>	<u>SCO June 30 Balance</u>
\$4,000.00	+ (\$3,000.00)	= \$7,000.00

General Instructions

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

Specific Instructions

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

Form 576A

- | | | |
|---|--|--|
| 1 | Agency Name and Number: | Enter the agency name and number. |
| 2 | Fund Name and Number: | Enter the fund name and number. |
| 3 | Name of Contact Person and Title: | Enter the name and title of the person to contact with questions concerning this report. |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | Email Address: | Enter the contact person's email address. |
| 6 | Account: | On Report 3, Form 576A, enter the proper four-digit account number using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below. |

Agencies need to identify the other fund involved in an interfund transaction by entering the four-digit fund number and, if applicable, the three-digit sub-fund number immediately following the GL account numbers listed below.

REMINDER: Fill out the Due To/From Other Funds/Appropriations Supplemental Form for GL 3114.FFFF, 1410.FFFF, 1420.AAAA, and 3115.AAAA.

1410.FFFF Due From Other Funds
1730.FFFF Prepayments to Other Funds or Appropriations
3114.FFFF Due To Other Funds
5330.FFFF Reserve for Prepaid Items (enter the same fund number as GL 1730)

For prepayments, see SAM section 10514 and 10517.

Include the four-digit agency code of the agency involved in the transaction as the subsidiary number for GL 1420.AAAA (Due From Other Appropriations) and 3115.AAAA (Due To Other Appropriations). **If the AAAA is your own agency, the amounts of these two accounts must equal.**

1420.AAAA Due From Other Appropriations
3115.AAAA Due To Other Appropriations

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

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

- 7A Amount:** Post adjustments to the appropriate GL accounts. The amounts entered should only be adjustments needed to bring the agency's balances on Report 7 into agreement with the SCO's cash basis balances as of June 30.
- 7B D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the Amount column and indicate it as C or D.

Pre-Closing Trial Balance (Report 7)

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

On Report 7, change the heading for the GL account number column to read "GLAN." The heading change will assist our key-data operators by matching the field title they see on their input screen with the column heading on the input document (the Pre-Closing Trial Balance).

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

Revisions: If revisions are necessary after the initial Report 7 is submitted, follow the instructions for Form 571E focusing on GL accounts only.

Include on Form 571E only the **differences** between the original Report 7 account balances and the revised account balances. Debits and credits must equal. A revised Report 7 is not required.

Form 571F is not needed, because detail accounts are only used for reporting Governmental Cost Fund and Bond Fund revenues, expenditures, and transfers.

Footnotes for abnormal balances: Provide an explanation for abnormal GL account balances as a footnote on the report or on a separate sheet of paper as an attachment.

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

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

General Instructions

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

- Leave Amount column blank for accounts with zero balances. **Do not** enter zeros.
- Total debits must equal total credits.

Specific Instructions

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

- 1 **Agency Name and Number:** Enter the agency name number.
- 2 **Fund Name and Number:** Enter the fund name and number.
- 3 **Report:** Enter the report name and number.
- 4 **GLAN:** Use the lowest-level GL account numbers listed in the Uniform Codes Manual.

To identify the other fund involved in an interfund transaction, enter the four-digit fund number and, if applicable, the three-digit sub-fund number immediately following the GL account numbers listed below.

REMINDER:

Fill out the Due To/From Other Funds/Appropriations Supplemental Form for GL 3114.FFFF and 1410.FFFF.

1410.FFFF Due From Other Funds
1730.FFFF Prepayments to Other Funds or Appropriations
3114.FFFF Due To Other Funds
5330.FFFF Reserve for Prepaid Items (enter the same fund number as GL 1730)

For prepayments, see SAM section 10514 and 10517.

Fill out the Due To/From Other Funds/Appropriations Supplemental Form for GL 3115.AAAA and 1420.AAAA.

Enter the four-digit agency code immediately following the GL account numbers listed below to identify the other agency involved in the inter-agency transaction. **If the AAAA is your own agency, the amounts of these two accounts must equal.**

1420.AAAA Due From Other Appropriations
3115.AAAA Due To Other Appropriations

For Nongovernmental Cost Funds, other than General Obligation Bond Funds, encumbrances should be posted to the appropriate liability accounts GL 3010, 3114.FFFF, 3115.AAAA, 3220, or 3290.

All accrued reimbursements that will fund the accrued encumbrances should be accrued under their respective receivable accounts (GL 1312, 1410.FFFF, 1510, or 1590). If such reimbursements were accrued under GL 1312, Accounts Receivable – Reimbursements, then the agency must reclassify them to the proper receivable accounts.

Use "GLAN" as the heading for the GL account number column.

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

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

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

FI\$Cal agencies must submit the Subsidiaries on File Report, which will provide SCO with the required subsidiary numbers.

Abnormal balances require a footnote explanation.

For all agencies, the unencumbered amount of the Due From Other Funds GL 1410.FFFF must equal the related unencumbered amount of the Due To Other Funds GL 3114.FFFF from other agencies. Agencies must coordinate related amounts reported to ensure the amounts are equal.

Fill out the Due To/From Other Funds/Appropriations Supplemental Form to provide SCO with the agency code(s) and agency name(s) related to the Due To/From Other Fund transactions submitted on Reports 3 and 7.

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

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

Statewide Assessments and Pro Rata Charges

The administering agency or fund administrator of a fund is responsible for including statewide assessment expenditures and Pro Rata charges on Report 7, although the expenditures are charged under other agency code(s). These expenditures are the shared costs associated with statewide projects, such as Business Unit (BU) 8880 – FI\$Cal and BU 9900 – Pro Rata.

REPORT 7 – PRE-CLOSING TRIAL BALANCE (3)
Department of Training – 1234 (1)
Fund 4321 (2)
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 – Department of Training
Fund: 4321 – Training Support Fund
Subfund:

Report ID: RPTGL068
Run Date: 8/9/20XX
Run Time: 17:15:54
Adjustment Period: 998

GLAN (4)	ACCOUNT TITLE (5)	DEBITS (6)	CREDITS (6)
1110	General Cash – CTS Accounts	90.00	
1130	Revolving Fund Cash	188,289.14	
1190	Cash on Hand	100.00	
1311	AR – Abatements	10,201.06	
1312	AR – Reimbursements	2,205.00	
1319	AR – Other	450.93	
*1410	Due from Other Funds	2,451,007.33	
*1420	Due from Appropriations – Same Fund	11,269,849.46	
*1600	Provision for Deferred AR		450.93
1710	Expense Advances	636.42	
*1730	Prepay to Other Funds/Appropriations	498,705.76	
3010	Accounts Payable		1,484,665.91
*3114	Due to Other Funds		164,956.15
*3115	Due to Other Appropriations – Same Fund		11,269,849.46
3290	Due to Other Government Entities		395.27
3420	Unearned Reimbursements		900,000.00
3730	Uncleared Collections		90.00
5330	Reserve – Prepaid Items		450,000.00
5570	Fund Balance – Clearing		1,793,602.13
65	Unapp InterUnit Transfers		30,494,670.01 (1)
8000	Revenue		611,361.81
8100	Reimbursements		15,875,776.48
9000	Appropriated Expenses	48,675,305.41	
9891	Refunds to Reverted Appropriation		51,022.36 (2)
Fund	4321	63,096,840.51	63,096,840.51

* Subsidiary fund number, agency code, or GL account is needed unless a Subsidiaries on File report is submitted.

(1) GL 65 (Unapp InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury).

This amount was closed out to GL 5570 (Fund Balance – Clearing) for shared fund in legacy system.

(2) Receipt of money for reverted appropriation.

Post-Closing Trial Balance (Report 8)

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

Fund balance is the excess of assets over liabilities. Normally, the ending fund balance on Report 8 should have either a zero or a credit balance. If GL 5530 – Fund Balance-Unappropriated in a non-shared fund is a debit amount on Report 8, a footnote explanation is required.

REPORT 8 – POST-CLOSING TRIAL BALANCE

Department of Training – 1234

Fund 4321

Fiscal Year 20XX-XX

As of 06/30/20XX

Business Unit:	1234 – Department of Training	Report ID:	RPTGL069
Fund:	4321 – Training Support Fund	Run Date:	8/9/2019
Subfund:		Run Time:	17:33:04
		Adjustment Period:	998

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1110	General Cash – CTS Accounts	90.00	
1130	Revolving Fund Cash	188,289.14	
1190	Cash on Hand	100.00	
1311	AR – Abatements	10,201.06	
1312	AR – Reimbursements	2,205.00	
1319	AR – Other	450.93	
*1410	Due From Other Funds	2,451,007.33	
*1420	Due From Approps – Same Fund	11,269,849.46	
1600	Provision For Deferred AR		450.93
1710	Expense Advances	636.42	
*1730	Prepay to Other Funds/Approps	498,705.76	
3010	Accounts Payable		1,484,665.91
*3114	Due to Other Funds		164,956.15
*3115	Due to Other Approps – Same Fund		11,269,849.46
3290	Due to Other Govt Entities		395.27
3420	Unearned Reimbursements		900,000.00
3730	Uncleared Collections		90.00
5330	Reserve – Prepaid Items		450,000.00
5570	Fund Balance – Clearing		151,127.38
Fund	4321	14,421,535.10	14,421,535.10

* Subsidiary fund number, agency code, or GL account is needed unless a Subsidiaries on File report is submitted.

REPORT 8 – SUBSIDIARIES ON FILE
Department of Training – 1234
Fund 4321
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit : 1234 – Department of Training
Fund : 4321 – Training Support Fund
Subfund :

Report ID : RPTGL114
Run Date : 8/1/2019
Run Time : 08:23:56
Adjustment Period: 998

ACCOUNT	ACCOUNT TITLE		DEBITS	CREDITS
	SUBSIDIARY	SUBSIDIARY TITLE		
1410	DUE FROM OTHER FUNDS			
	0042	STATE HIGHWAY ACCOUNT, STF	3,987.00	
	0048	TRANSPORTATION REVOLVING ACCOUNT	141,666.49	
	0115	AIR POLLUTION CONTROL FUND	35,819.00	
	0133	CALIFORNIA BEVERAGE CONTAINER	50,127.00	
	0666	SERVICE REVOLVING FUND	32,328.15	
	0691	WATER RESOURCES REVOLVING FUND	61,134.41	
	0890	FEDERAL TRUST FUND	88,087.03	
	0917	INMATE WELFARE FUND	38,391.50	
	3238	STATE PARKS REVENUE INCENTIVE	392.00	
	605100001	SFDRWTRQU/SFLDCTRL,RVRCSTL	26,239.50	
	9730	TECHNOLOGY SERVICES REVOLVING	740,293.05	
	9737	FISCAL INTERNAL SERVICES FUND	632,814.00	
	9740	CENTRAL SERVICE COST RECOVERY	599,728.20	
	TOTAL ACCOUNT	1410	2,451,007.33	
1420	DUE FROM APPROPS – SAME FUND			
	1234	DEPARTMENT OF TRAINING	11,269,849.46	
	TOTAL ACCOUNT	1420	11,269,849.46	
1600**	PROVISION FOR DEFERRED AR			
	013190000			450.93
** 0 (ZERO) IS DISPLAYED PRECEDING SUBSIDIARY CODES FOR THIS GL TO ACCOMMODATE STATE CONTROLLERS OFFICE NEEDS				
	TOTAL ACCOUNT	1600		450.93
1730	PREPAY TO OTHER FUNDS/APPROPS			
	0512	STATE COMPENSATION INSURANCE FUND	6,705.76	
	0602	ARCHITECTURE REVOLVING FUND	450,000.00	
	066600001	SERVICE REVOLVING FUND	42,000.00	
	TOTAL ACCOUNT	1730	498,705.76	
3114	DUE TO OTHER FUNDS – CURRENT			
	0512	STATE COMPENSATION INSURANCE FUND		4,395.38
	0666	SERVICE REVOLVING FUND		23,019.86
	9730	TECHNOLOGY SERVICES REVOLVING		20,200.00
	9731	LEGAL SERVICES REVOLVING FUND		117,340.91
	TOTAL ACCOUNT	3114		164,956.15
3115	DUE TO OTHER APPROPS – SAME FUND			
	1234	DEPARTMENT OF TRAINING		11,269,849.46
	TOTAL ACCOUNT	3115		11,269,849.46
3420	UNEARNED REIMBURSEMENTS			
	000000000			900,000.00
	TOTAL ACCOUNT	3420		900,000.00
5330	RESERVE – PREPAID ITEMS			
	060200000			450,000.00
	TOTAL ACCOUNT	5330		450,000.00
	TOTAL FUND	4321	1,434,306.01	

Reports 7 and 8 for Federal Trust Fund

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

The net total amounts of all nominal accounts (e.g., GL 8000, 8100, 9000, etc.) for Fund 0890 must be zero on Report 7.

Analysis of Change in Fund Balance (Report 9)

The Analysis of Change in Fund Balance (Report 9), also known as the Statement of Operations, provides the beginning fund balance for the fiscal year plus any additions (e.g., revenues), less any deductions (e.g., expenditures) to determine the fiscal year's ending fund balance. Report 9 is required for non-shared funds as well as the Federal Trust Fund (0890), Special Deposit Fund (0942), and Fiduciary Funds Outside the Centralized Treasury System (0990).

Beginning fund balance must equal the ending fund balance from the previous year's Report 9. If the agency made entries that changed the previous year's ending fund balance reported to SCO, the beginning fund balance and prior year adjustment accounts on Report 9 must be footnoted to explain the difference.

SCO will refer to Report 9 to obtain additional information that may help resolve any Report 7 discrepancies.

REPORT 9 – ANALYSIS OF CHANGE IN FUND BALANCE
Department of Training – 1234
Fund 0890
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit:	1234 – Department of Training	Report ID:	RPTGL113
Fund:	0890 – Federal Trust Fund	Run Date:	8/20/2019
Subfund:		Run Time:	12:01:10
		Adjustment Period:	998

<u>Account Number</u>	<u>Account Title</u>	<u>Total</u>
8000	Additions: Revenue	153,266,982.74
	Total Additions	<u>153,266,982.74</u>
9000	Deductions: Appropriated Expenses	153,266,982.74
	Total Deductions	153,266,982.74
	Adjustments to Fund Balance: Total Adjustments	<u>0.00</u>

 Name of Contact Person (Type or Print)

 Telephone Number

REPORT 9 – ANALYSIS OF CHANGE IN FUND BALANCE
Department of Training – 1234
Fund 0942
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 – Department of Training
Fund: 0942 – Special Deposit Fund
Subfund:

Report ID: RPTGL113
Run Date: 8/20/2019
Run Time: 12:01:10
Adjustment Period: 998

Account Number	Account Title	Total
5530	Fund Balance – Unappropriated, July 1, 2018	6,165,404.90
	Additions:	
8000	Revenue	3,952,475.41
	Total Additions	<u>3,952,475.41</u>
	Deductions:	
9000	Appropriated Expenses	2,702,152.17
	Total Deductions	2,702,152.17
	Adjustments to Fund Balance:	
	Total Adjustments	<u>0.00</u>
5530	Fund Balance – Unappropriated, June 30, 2019	<u><u>7,415,728.14</u></u>

 Name of Contact Person (Type or Print)

 Telephone Number

Report of Expenditures of Federal Funds (Report 13)

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

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

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

Submit the **original** signed Report 13 to DOF – FSCU, and a copy of the report to SCO with the year-end financial reports.

REPORT 13 – REPORT OF EXPENDITURES OF FEDERAL FUNDS
Department of Training – 1234
Fund 0890
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 – Department of Training
Fund: 0890 – Federal Trust Fund

Report ID: RPTGL161
Run Date: 8/30/2019
Run Time: 18:58:08
Adjusting 998

<u>CFDA</u>	<u>DESCRIPTION</u>	<u>EXPENDITURES</u>	<u>ENCUMBRANCES</u>	<u>TOTAL</u>
10.664	Forestry Assistance	3,253,898.39	191,872.03	3,445,770.42
10.225	Community Food Projects	1,708,824.54	25,935.85	1,734,760.39
99.999	Tree Assistance Program	231,909.56	8,443.85	240,353.41
TOTAL FEDERAL FUNDS:		5,194,632.49	226,251.73	5,420,884.22

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE ATTACHED REPORTS ARE TRUE, ACCURATE AND COMPLETE, AND WERE PREPARED FOLLOWING THE APPLICABLE LAWS, REGULATIONS, POLICIES, PROCEDURES, AND INSTRUCTIONS. I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090) AND ARTICLE 2, CHAPTER 1, PART 3, DIVISION 3, TITLE 2, GOVERNMENT CODE (COMMENCING WITH SECTION 13030).

SUBSCRIBED AND EXECUTED THIS _____ DAY OF _____ AT SACRAMENTO, CALIFORNIA.

 SIGNATURE OF OFFICER

 TYPE OR PRINT NAME OF OFFICER

 TITLE OF OFFICER

Statement of Financial Condition (Report 20)

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

REPORT 20 – STATEMENT OF FINANCIAL CONDITION

Department of Training – 1234

Fund 0942

Fiscal Year 20XX-XX

As of 06/30/20XX

Business Unit : 1234 – Department of Training
Fund : 0942 – Special Deposit Fund
Subfund :

Report ID : RPTGL077
Run Date : 08/23/2019
Run Time : 12:23:05
Adjustment Period : 998

Assets

<u>Account</u>	<u>Account Title</u>	<u>Balance</u>
*65	Unapp Interunit Transfers	1,381.19
1110	General Cash – CTS Accounts	122,916.43
1210	SMIF Deposits	7,605,000.00
1311	AR – Abatements	42.78
**1410	Due from Other Funds	115,322.90
<u>Total Assets</u>		7,844,663.30

Liabilities & Fund Equity

<u>Account</u>	<u>Account Title</u>	<u>Balance</u>
3010	Accounts Payable	(262,569.70)
**3114	Due to Other Funds	(68,250.68)
**3115	Due to Other Appropriations – Same Fund	(41,993.16)
3290	Due to Other Govt Entities	(56,121.62)
5530	Fund Balance – Clearing	(7,415,728.14)
<u>Total Liabilities</u>		(7,841,713.26)
Total Liabilities		(428,935.16)
Total Fund Equity		(7,415,728.14)
<u>Total Liabilities & Fund Equity</u>		(7,844,663.30)

Note: * GL 65 (Unappropriated InterUnit Transfers) is equivalent to GL 1140 (Cash in State Treasury).

** Subsidiary fund number, agency code, or GL account is needed unless a Subsidiaries on File report is submitted.

General Obligation Bond Funds

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

The year-end financial reports required for General Obligation Bond Funds are the same as those required for Governmental Cost Funds. Refer to the Governmental Cost Funds section of this Manual for instructions.

Specific Instructions

- Provide the required year-end financial reports for each sub-fund.
- Accrue Surplus Money Investment Fund interest as a debit to GL 1410.0681 and a credit to receipt account 0250300.
- **Do not** accrue any **intrafund** transfers. **Intrafund** transfers are transfers within the same fund, different sub fund. You are still required to accrue **interfund** transfers, which are transfers to/from other fund(s).
- The Pooled Money Investment Account (PMIA) loan accrual letter is mailed out by SCO no later than July 30. Per the data provided in the letter, accrue the PMIA interest expense pertaining to the loan as a debit to the appropriate disbursement account and a credit to GL 3114.0942, Due To Special Deposit Fund.

If you have any questions regarding the PMIA letter, email the SCO Treasury Services Section at SCOTreasurySvcs@sco.ca.gov.

Special Deposit Fund – Fund 0942

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

The following year-end financial reports are required for the Special Deposit Fund:

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

General Instructions

- Prepare consolidated Reports 3, 7, 8, Due To/From Other Funds/Appropriations Supplemental Form, and Material Variance Explanation Form. For each sub-fund, prepare and submit separate Reports 9 and 20; do not submit other documents for the sub-funds. Year-end financial reports are required even if the account has a zero fund balance but had a beginning fund balance or activity during the FY.
- The beginning fund balance on the current year Report 7 must equal the ending fund balance on the prior year Report 8.
- Cash in State Treasury must equal the Controller's Fund Reconciliation Report, GL 1140. If an adjustment is necessary, provide a footnote at the bottom of Report 3.
- June 30 accounts not yet approved by DOF are considered Fiduciary Funds Outside the Centralized Treasury System until an agency has obtained approval.
- Refer to the Special Deposit Fund sample Certification Letter.

Fiduciary Funds Outside the Centralized Treasury System (also known as Non-Treasury Trust Fund) – Fund 0990

Fiduciary Funds Outside the Centralized Treasury System (0990) are used to record money or property in the custody of a state agency that is not required to be deposited in a fund in the State Treasury.

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

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

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

The following year-end financial reports are required for Fiduciary Funds Outside the Centralized Treasury System; these are the same reports submitted for Nongovernmental Cost Funds:

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

General Instructions

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

- The year-end financial reports required for a Fiduciary Fund Outside the Centralized Treasury System must be submitted under fund number 0990.
- Include GL account numbers on all reports. Account titles alone are not sufficient.
- Prepare separate year-end financial reports according to the type of trust fund money held. There are four types, as follows:
 - **Guaranty Deposits:** Deposits held by several state agencies to comply with various legal requirements. For instance, negotiable securities held by the State Treasurer, bearer bonds, stocks, or certificates of deposits not assigned to the agency. Also included are fees, bids, and security deposits.
 - **Private Trusts:** The state agency acts as a custodian of a private individual's assets. A Private Trust may be money, securities, or sundry personal property held by an agency for the benefit of specific individuals, such as inmates or students.
 - **Special Purpose Trusts:** Individuals, corporations, public agencies, etc., may make gifts or grants to the State for specific purposes such as conducting research or providing money for scholarships.

➤ **Agency Trusts:** The following funds outside the State Treasury are authorized by DOF:

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

Submit a Material Variance Explanation Form (MVEF) using Report 9. Fill in the prior year (PY) and current year (CY) amounts on the MVEF using the PY and CY Report 9s.

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

The total deductions amount (sum of operating expenditures, payments to and for depositors, securities released for individuals, prior year surplus adjustments, and other deductions) on Report 9 represents the expenditure amount on the MVEF.

**DEPARTMENT OF TRAINING – 1234
FIDUCIARY FUNDS OUTSIDE THE CENTRALIZED TREASURY SYSTEM (0990)**

**Pre-Closing Trial Balance – Report 7
June 30, 20XX**

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

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this ____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

**DEPARTMENT OF TRAINING – 1234
FIDUCIARY FUNDS OUTSIDE THE CENTRALIZED TREASURY SYSTEM (0990)**

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

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

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this ____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

DEPARTMENT OF TRAINING – 1234
 FIDUCIARY FUNDS OUTSIDE THE CENTRALIZED TREASURY SYSTEM (0990)

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

<u>GLAN</u>	<u>Account Title</u>	<u>Total</u>
	Fund Balance, June 30, 20XX	\$ 640,532.36
	Additions:	
8800	Operating Income	\$ 53,600.00
8067	Receipts from Depositors	54,000.00
8090	Other Additions	236.31
	<u>Total Additions</u>	107,836.31
	Deductions:	
9000	Operating Expenditures	\$ 14,536.00
9033	Payments to and for Depositors	2,456.00
9085	Securities Released for Individuals	25,000.00
	<u>Total Deductions</u>	41,992.00
	Fund Balance, June 30, 20XX	<u><u>\$ 706,376.67</u></u>

Special Reports

Special Reports

Report of Accounts Outside the State Treasury (Report 14)

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

General Instructions

- All agencies must use FI\$Cal to generate a Report 14.
- Submit Report 14, STD. 445 to STO electronically through FI\$Cal by the deadline.
- Submit one copy with a wet signature to SCO by August 20, 2020 with the year-end financial reports.
- If the agency has an account(s), identify the bank account(s) and the corresponding June 30 bank balance(s).
- If the agency does not have accounts outside the centralized State Treasury System, indicate “No accounts outside State Treasury” on Report 14 and on the Certification Letter of the fund submitting Report 14 and submit it with the year-end financial reports. Indicate on each Certification Letter which fund’s set of year-end financial reports will include Report 14.

Specific Instructions

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

- Balance is the bank balance at June 30. If the account was closed during the fiscal year, the account should be included on the report and the closing date should be specified.
- Indicate whether the account is collateralized or if collateral is not required (see footnotes on Report 14). Check only one box. Questions regarding collateral should be directed to the STO Collateral Management Section at (916) 653-2886.
- **An agency head or designee who is at least one level above both legal and administrative functions must sign Report 14.** The agency head is the person responsible for the entire agency. A designee is allowed to certify Report 14 only in the absence of the agency head. Include their title (Director, Commissioner, elected official, etc.). Provide the phone number of the contact person for this report.
- If Report 14 must be revised, ensure that the revisions are clearly marked as such and are submitted to both STO and SCO.

STATE OF CALIFORNIA - STATE TREASURER'S OFFICE

**REPORT OF ACCOUNTS OUTSIDE
THE STATE TREASURY**

STD. 445 (REV. 4/2017)

SEE DETAILED INSTRUCTIONS ON PAGE 2

Each report must be typed.

Send Original to:

State Treasurer's Office
Collateral Management Section
P.O. Box 942809
Sacramento, CA 94209-0001

Send Copy to:

State Controller's Office
State Accounting and Reporting Division - State Government Reporting
P.O. Box 942850
Sacramento, CA 94250

Tax identification number(s) under which the accounts
were or could be established:

DEPARTMENT NAME & ADDRESS

ORGANIZATION CODE

FOR FISCAL YEAR ENDED

June 30,

(1) ACCOUNT TITLE & NUMBER	(2) ACCOUNT TYPE	(3) PURPOSE	(4) BANK/SAVINGS & LOAN/OTHER DEPOSITORY	(5) AUTHORITY	(6) BALANCE	(7) COLLATERALIZED		
						YES	NO	NOT REQUIRED

(a) The banks and/or savings and loans listed on this report have been notified of the security and collateral requirements - Federal Deposit Insurance Corporation Regulations (12 C.F.R. 330.15), Government Code sections 16520 through 16533 and 16610 through 16622, if applicable.

(b) The use of all accounts listed is consistent with Department of Finance approval or as authorized by law.

(c) The deposited funds will be adequately collateralized throughout the year in accordance with law, if applicable.

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

PREPARED BY (NAME & TITLE)

EMAIL ADDRESS

TELEPHONE NUMBER

SIGNATURE (DEPARTMENT HEAD)

TYPE OR PRINT NAME & TITLE

DATE SIGNED

TELEPHONE NUMBER

STATE OF CALIFORNIA - STATE TREASURER'S OFFICE

**REPORT OF ACCOUNTS OUTSIDE
THE STATE TREASURY**

STD. 445 (REV. 4/2017)

INSTRUCTIONS

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

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

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

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

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

A list of agencies required to submit Report 18 is located on the SCO website.

Failure to submit Report 18 will result in a disqualification for excellence in financial reporting.

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

Budget Letter 10-13, issued by DOF on June 18, 2010, provides specific information for implementing this policy on the capitalization of intangible assets for financial reports, as well as guidelines for retroactively reporting intangible assets that were not previously reported. The budget letter is located at http://www.dof.ca.gov/budget/Budget_Letters/.

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

SAM section 7977 (revised 06/2017) requires all agencies to include a Report 18, Statement of Changes in Capital Assets Group of Accounts, Beginning Balance Differential Report, if applicable. This report is required to document and explain differences in asset beginning balances with prior year ending balances.

General Instructions

- A separate Report 18 must be prepared for each fund within your agency, except for Fiduciary Funds. Additionally, capital assets of both proprietary and fiduciary fund types must be included in the fund reports. **If there are no capital assets for a fund, note on the Certification Letter “no capital assets to report.”**
- Agencies are required to identify each Report 18 with the fund name, fund number, agency, and agency number.
- A Report 18 must be submitted for each fund that has a capital asset beginning balance, even when there are no current year additions or deductions.
- Only one Report 18 should be prepared and submitted for each fund. **Do not** submit multiple Report 18s for the same fund.

- The number of Report 18s an agency submits must equal the number of funds reported in the agency's Report 19.
- The beginning balances must agree with the prior year's ending balances except for restatements to beginning balance for unreported or misclassified capital assets. If the beginning balance does not match the prior year ending balance, a Beginning Balance Differential Report is required. If an adjustment to the beginning balance is made, the description, breakdown amount, and category of the adjustment need to be included on the Beginning Balance Differential Report. For rules on retroactively reporting intangible assets, refer to Budget Letter 10-13 at http://www.dof.ca.gov/budget/Budget_Letters/.
- If capital assets were included in Report 18 last year under a different asset account (e.g. intangible assets work in progress), reduce the beginning balance of the previously used account and add the amount to the beginning balance of the correct capital asset account.
- The Additions column should be used only for assets acquired or internally generated during the current FY.
- An addition of a previously unreported capital asset should be reported as a beginning balance restatement, using the Beginning Balance column and not the Additions column.
- In case of a reorganization where the capital assets of a fund or agency are transferred to another fund or agency, the receiving agency should reflect the transfer as an increase in its Beginning Balance column, while the agency transferring the assets should report a decrease in the Beginning Balance column.
- If there are any deductions equal to or greater than \$1 million in aggregate for an asset account, the following information must be provided in a footnote:
 - The nature of the deduction (i.e. sale, demolition, transfer, or other).
 - The date acquired and the acquisition cost for each deduction reported as a sale, demolition, or transfer.
 - The fund name and number and the agency name and number to which the capital asset was transferred, if applicable.
 - An explanation for the deduction if it represents an adjustment or other deduction.
- If you have any questions regarding this report, email BLFinRep@sco.ca.gov.

Illustrations of a completed Statement of Changes in Capital Assets Group of Accounts and a Beginning Balance Differential Report are shown on the following pages.

REPORT 18 – STATEMENT OF CHANGES IN CAPITAL ASSETS
Department of Training – 1234
Fund 4321
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 – Department of Training
Fund: 4321 – Training Support Fund
Subfund:

Report ID: RPTGL075
Run Date: 08/01/2019
Run Time: 15:45:00

Account – Description	Beginning Balance	Additions	Deductions	Ending Balance
Tangible Assets				
2341 – Equipment	2,033,432.55	452,067.51	0.00	2,485,500.06
Intangible Assets				
2411 – Computer Software – Amortizable	2,726,441.23	93,770.08	0.00	2,820,211.31
Fund: 4321	<u>4,759,873.78</u>	<u>545,837.59</u>	<u>0.00</u>	<u>5,305,711.37</u>
Sub Fund:				

Example 2:

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

CAPITAL ASSETS	Beginning Balance¹	Additions	Deductions	Balance² June 30, 20XX
Tangible Assets				
Land	\$ 1,000,000.00	\$ -	\$ -	\$ 1,000,000.00
Buildings	1,361,000.00	500,000.00	-	1,861,000.00
Improvements Other Than Buildings	535,000.00	-	-	535,000.00
Equipment	275,600.00	100,000.00	50,000.00	325,600.00
Construction Work in Progress	500,000.00	-	500,000.00	-
Infrastructure - Depreciable	-	-	-	-
Intangible Assets				
Computer Software - Amortizable	125,000.00	-	-	125,000.00
Land Use Rights - Amortizable	100,000.00	-	-	100,000.00
Patents, Copyrights, and Trademarks - Amortizable	-	50,000.00	-	50,000.00
Other Intangible Assets - Amortizable	-	-	-	-
Land Use Rights - Non-Amortizable	-	-	-	-
Patents, Copyrights, and Trademarks - Non-Amortizable	-	-	-	-
Other Intangible Assets - Non-Amortizable	-	-	-	-
Internally Generated Intangible Assets in Progress	867,602.00	-	-	867,602.00
TOTAL CAPITAL ASSETS	\$ 4,764,202.00	\$ 650,000.00	\$ 550,000.00	\$ 4,864,202.00

¹ Asset beginning balances must agree with prior year ending balances. Any differences must be documented and explained in Report 18- Statement of Changes in Capital Assets Beginning Balance Differential Report. See illustration next page.

² The ending balances should equal the debit balances on Report 19 for each asset type.

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

	(1) Prior Year Ending Balance	(2) Current Year Beginning Balance	(3) Difference	Breakdown of Difference					(9) Restatement Amount
				(4) Assets unreported in the prior year	(5) Non-capitalizable assets reported as capital assets in the prior year	(6) Transfers from other departments (at historical cost/book value)	(7) Other amounts that make up the difference (provide description): <small>prior year asset classification was incorrect</small>	(8) Other amounts that make up the difference (provide description): <small>incorrect entry was made in current year balance</small>	
Tangible Assets									
Land	1,200,000	1,000,000	(200,000)				(200,000)		(200,000)
Buildings	1,661,000	1,361,000	(300,000)				(300,000)		(300,000)
Improvements Other Than Buildings	505,000	535,000	30,000					30,000	30,000
Equipment	335,600	275,600	(60,000)		(1,000)	5,000		(64,000)	(60,000)
Construction Work in Progress	-	500,000	500,000	500,000					500,000
Infrastructure - Depreciable	-	-	-						-
Intangible Assets									
Computer Software - Amortizable	129,000	125,000	(4,000)		(4,000)				(4,000)
Land Use Rights - Amortizable	100,000	100,000	-						-
Patents, Copyrights, and Trademarks - Amortizable	50,000	-	(50,000)				(50,000)		(50,000)
Other Intangible Assets - Amortizable	-	-	-						-
Land Use Rights - Non-Amortizable	-	-	-						-
Patents, Copyrights, and Trademarks - Non-Amortizable	-	-	-						-
Other Intangible Assets - Non-Amortizable	-	-	-						-
Internally Generated Intangible Assets in Progress	847,602	867,602	20,000	20,000					20,000
Total	4,828,202	4,764,202	(64,000)	520,000	(5,000)	5,000	(530,000)	(34,000)	(64,000)

Report Instructions:

- Col. 1- Enter Ending Balance from Prior Year Report 18.
- Col. 2- Enter Beginning Balance from Current Year Report 18.
- Col. 3- Compute difference between current year beginning balance and prior year ending balance. Research posting and source documents to identify and explain the difference.
- Col. 4- 8 Breakdown and categorize the differences in columns 4 to 8.
- Col. 9- Compute the sum of columns 4 to 8. The amount should agree with the computed difference in column 3.

Statement of Capital Assets Group of Accounts (Report 19)

The Statement of Capital Assets Group of Accounts (Report 19) provides information on capital assets recorded in the Capital Assets Group of Accounts and ensures the accuracy and completeness of an agency's capital asset accounts in the year-end financial reports.

Report 19 includes the total of all capital assets (tangible and intangible assets) of an agency, and provides the total capital assets for each fund.

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

A list of agencies required to submit Report 19 is posted on the SCO website.

Failure to submit Report 19 will result in a disqualification for excellence in financial reporting.

If there is nothing to report on Report 19, note "no capital assets to report" next to the report number on the Certification Letter of the fund submitting Report 19. Indicate which fund the Report 19 is submitted with on every other fund's Certification Letter.

If you have any questions regarding this report, email BLFinRep@sco.ca.gov. An illustration of a completed Report 19 is shown on the following page.

REPORT 19 – STATEMENT OF CHANGES IN CAPITAL ASSETS
Department of Training – 1234
Fiscal Year 20XX-XX
As of June 30, 20XX

Business Unit: 1234 – Department of Training

Report ID: RPTGL076

Run Date: 08/01/2019

Run Time: 08:10:32

CAPITAL ASSETS:	DEBIT BALANCE	CREDIT BALANCE
Tangible Assets		
2341 – Equipment	2,485,500.06	0.00
Intangible Assets		
2411 – Computer Software – Amortizable	2,820,211.31	0.00
TOTAL CAPITAL ASSETS	5,305,711.37	0.00
INVESTMENT IN CAPITAL ASSETS FROM:		
Fund: 4321	0.00	5,305,711.37
Sub Fund:		
TOTAL INVESTMENT IN CAPITAL ASSETS	0.00	5,305,711.37

Statement of Contingent Liabilities (Report 22)

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

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

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

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

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

**REPORT 22 – STATEMENT OF CONTINGENT LIABILITIES
DEPARTMENT OF TRAINING – 1234
FUND 4321
AS OF JUNE 30, 20XX**

Prepared by: U.R. Dunne
Telephone number: (916) 123-4567

Type of Contingent Liability	Reference or Identification	Estimated Amount	Estimated Date of Payment	Comments
Alleged overpayment of fees	1	\$ 2,000,000.00	FY 19-20	Settlement Pending
Damages for alleged discrimination	2	\$ 1,500,000.00	FY 20-21	Settlement Pending
Attorney's fees	3	\$ 1,000,000.00	FY 20-21	Settlement Pending
Attorney's fees	4	\$ 1,500,000.00	FY 19-20	Settlement Pending

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE ATTACHED REPORTS ARE TRUE, ACCURATE AND COMPLETE, AND WERE PREPARED FOLLOWING THE APPLICABLE LAWS, REGULATIONS, POLICIES, PROCEDURES, AND INSTRUCTIONS. I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090) AND ARTICLE 2, CHAPTER 1, PART 3, DIVISION 3, TITLE 2, GOVERNMENT CODE (COMMENCING WITH SECTION 13030).

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

Signature of Officer

Type or print name of Officer

Title of Officer

Supplemental Forms

Supplemental Forms

Due To/From Other Funds/Appropriations Supplemental Form

Due To/From Other Funds

- SCO requires agencies to identify the agency and fund involved in each Due To/From Other Fund/Appropriation transaction on the Due To/From Other Funds/Appropriations Supplemental Form. For each amount posted to GL 3114.FFFF and 1410.FFFF, provide the four digit fund related to the accrual.
- The Due To/From Other Funds/Appropriations Supplemental Form is required for each shared and non-shared fund submitting year-end financial reports to SCO for those agencies that have accruals. **If a fund has multiple sub-funds, agencies are required to submit only one Due To/From Other Funds/Appropriations Supplemental Form at the main fund level, not per sub-fund.** The form must be listed on the Certification Letter under the heading Supplemental Forms / Checklist. The form is available on the SCO website at https://www.sco.ca.gov/ard_reporting.html.
- Determine the ultimate fund or agency on the Due To/From Other Funds/Appropriations Supplemental Form. If the amount will be further transferred to or expended by another state agency or fund, the accrual and the supplementary information should reflect the ultimate fund.
- If an interagency agreement exists, it should provide the ultimate fund information. If the ultimate fund cannot be determined, contact the other agency to ensure that the accrual Due To and Due From reconcile and that both agencies are using the ultimate fund.
- It is the agency's responsibility to communicate and coordinate with each other to ensure that their Due To/From entries reconcile. Indicate on the form if you have contacted the other agency, but the amounts cannot be confirmed.
- Submit the supplemental form to SCO along with the fund's year-end financial reports as follows:
 - Governmental Cost Funds – include the form with Reports 1 and 3.
 - Nongovernmental Cost Funds – include the form with Report 7. To avoid misclassification of the accounts receivables (unless it is for a reverted appropriation that is recoded using GL 1319, Accounts Receivable – Other), a receivable held by the state, federal, or local government, should be reported using GL 14XX or GL 15XX. Refer to SAM section 10400 for a description of the GL accounts.

Due To/From Other Appropriations

- GL 1420.AAAA (Due From Other Appropriations) and GL 3115.AAAA (Due To Other Appropriations) require the four-digit agency code (AAAA) as the subsidiary number for accruals, adjustments, and balances on Reports 1, 3, 7, and Subsidiaries on File. For each amount posted to GL 3115.AAAA and 1420.AAAA, provide the four-digit agency related to the accrual. This requirement will assist SCO with the Due To and Due From reconciliation.

Remember that the subsidiary four-digit agency code should reflect the ultimate organization. It is not necessary to report the agency code if it is merely a flow-through to another agency. Also exclude the Clearing Account, as a pass-through fund, in the General Fund.

The following is an example of how a Due To/From Other Appropriations entry for a Governmental Cost Fund should be reflected when the Due To/From is between two separate agencies:

Type of transaction:

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

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

Reason for request:

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

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

DR	1420.4720 (Due from other appropriations agency code 4720)	\$1,000.00
	CR 0001-1234-20XX-001-10-D	\$1,000.00

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

DR	0001-4720-20XX-001-10-D	\$1,000.00
	CR 3115.1234 (Due to other appropriations agency code 1234)	\$1,000.00

Agencies submitting manual reports, continue to include the subsidiary account information on Reports 1, 3, 7, and Subsidiaries on File.

The Due To/From Other Funds/Appropriations Supplemental Form is available in Excel format on the SCO website at https://www.sco.ca.gov/ard_reporting.html.

An example of the Due To/From Other Funds/Appropriations Supplemental Form is shown on the following page.

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

**Due To/From Supplemental Report
Department of Training
Fund 4321
Fiscal Year 20XX-XX
As of 06/30/20XX**

Business 1234 - Department of Training
Fund: 4321 - Training Support Fund
Subfund:

Report ID: RPTGL 115
Run Date: 08/09/2019
Run time: 10:33:05
Adjustment Period: 998

This information is required for all Due To Other Funds (GL 3114), Due From Other Funds (GL 1410), Due To Other Appropriations (GL 3115), and Due From Other Appropriations (GL 1420) amounts reported on CSYDB3-1, Reports 1, 3, and 7, and/or Revisions to Reports 1, 3, and 7. Departments should coordinate with each other to ensure that their corresponding Due To and Due From entries reconcile. Submit GAAP adjustments for nongovernmental cost funds if the encumbrance amount exceeds \$1 million. Refer to the GAAP adjustment section in the GAAP Basis Reporting Year-End Financial Reports Information (http://www.sco.ca.gov/ard_reporting.html).

Agency Code 1234	Agency Name	Fund Number 4321	Fund Name Training Support Fund
Contact Person U.R. Dunne, Accounting Officer		Email UR.Dunne@training.ca.gov	Telephone (916)123-4567

GL ACCOUNT	SUBSIDIARY	SUBSIDIARY	SUBSIDIARY ORGANIZATION TITLE	AMOUNT	SUBTOTAL (GLS/FUND/SORG)
1410	0042	2660	Department of Transportation	3,987.00	3,987.00
1410	0048	2660	Department of Transportation	141,666.49	141,666.49
1410	0115	3900	State Air resources Board	35,819.00	35,819.00
1410	0133	3970	Resources Recycling & Recovery	50,127.00	50,127.00
1410	0666	7760	Department of General Services	32,328.15	32,328.15
1410	0691	3860	Department of Water Resources	61,134.41	61,134.41
1410	0890	0521	Sec., Transportation Agency	88,087.03	88,087.03
1410	0917	5225	Dept. of Correction & Rehab	38,391.50	38,391.50
1410	3238	3790	Dept. of Parks & recreation	392.00	392.00
1410	6051	0540	Sec., Natural Resources	26,239.50	26,239.50
1410	9730	7502	Department of Technology	740,293.05	740,293.05
1410	9737	6880	Financial Information System	632,814.00	632,814.00
1410	9740	6860	Department of Finance	599,728.20	599,728.20
			Total		2,451,007.33
1420	4321	1234	Department of Training	11,269,849.46	11,269,849.46
			Total		11,269,849.46
3114	0512	8430	State Compensation Insurance Fund	(4,395.38)	(4,395.38)
3114	0666	7760	Department of General Services	(23,019.86)	(23,019.86)
3114	9730	7502	Department of Technology	(20,200.00)	(20,200.00)
3114	9731	0820	Department of Justice	(117,340.91)	(117,340.91)
			Total		(164,956.15)
3115	4321	1234	Department of Training	(11,269,849.46)	(11,269,849.46)
			Total		(11,269,849.46)

Material Variance Explanation Form

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

The MVEF is required for each shared and non-shared fund submitting year-end financial reports to SCO. **If a fund has multiple sub-funds, agencies are required to submit only one MVEF at the main fund level, not per sub-fund.** The form must be listed on the Certification Letter under the heading Supplemental Forms / Checklist. The MVEF is available on the SCO website at https://www.sco.ca.gov/ard_reporting.html.

Complete this form after you have prepared the fund's Report 7, RPTGL068, and Report 9.

THE MATERIAL VARIANCE EXPLANATION FORM IS REQUIRED TO BE SUBMITTED EVEN IF THERE IS NO ACTIVITY TO REPORT.

Instructions

- Using the PY and CY Report 7s, fill in the PY and CY amounts (yellow cells).
- Use the PY and CY Report 9s to fill in the PY and CY amounts for the Fiduciary Funds Outside the Centralized Treasury System. See instructions on the Fiduciary Funds Outside the Centralized Treasury System section.
- The form will automatically calculate the amount and percentage of the variance.
- Based on the calculation, a message will appear identifying whether or not the variance is material and whether it requires an explanation.
- If a variance explanation is required, provide a detailed explanation for the applicable nominal account type(s).
- If a variance explanation is not required, leave the explanation box blank. Submit one copy of the form with the fund's year-end financial reports to SCO.
- If there is no activity on both PY and CY Report 7s and Report 9s, state "no activity to report" in the explanation boxes and next to the Certification Letter. Agencies are still required to submit this form along with other year-end financial reports.

Material Variance Criteria:

CY balance less PY balance is equal to or greater than \$1 million;

and

Percentage of variance (variance divided by PY balance) is equal to or greater than 10%. When either CY or PY balance is zero, variance percentage is inapplicable and no explanation is needed.

Material Variance Explanations:

Explanations should answer the question, “Why is there a variance?” If applicable, provide the specific legal citations, Government Code section, budget letter number, executive order number, etc.

Examples of acceptable variance explanations:

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

Examples of unacceptable variance explanations:

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

An example of the MVEF is shown on the following page.

REMINDER:

Submit one hard copy of the MVEF to SCO even if there is no activity.

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

Fund Number: _____ Contact Name: _____

Agency Code: _____ Contact Email: _____

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

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

EXPENDITURES				
PY 2018-19	CY 2019-20	Variance Amount	Variance Percentage	Explanation Required?
		\$ -	0%	NO
Explanation:				

REVENUE				
PY 2018-19	CY 2019-20	Variance Amount	Variance Percentage	Explanation Required?
		\$ -	0%	NO
Explanation:				

TRANSFERS IN				
PY 2018-19	CY 2019-20	Variance Amount	Variance Percentage	Explanation Required?
		\$ -	0%	NO
Explanation:				

TRANSFERS OUT				
PY 2018-19	CY 2019-20	Variance Amount	Variance Percentage	Explanation Required?
		\$ -	0%	NO
Explanation:				

Checklists

Year-End Financial Reports Checklist

The Year-End Financial Reports Checklist is for agency use to ensure the year-end financial reports are accurate and complete, and they comply with the instructions set forth in the Budgetary/Legal Year-End Procedure Manual (Manual). **The Checklist must be listed on the Certification Letter under the heading Supplemental Forms / Checklist and is a required checklist regardless of whether there is activity or not.**

Reminder: Reports submitted should not contain any staples.

- _____ 1. Agency name, agency code, fund name, and fund number appear on all reports.
- _____ 2. Reports have been prepared for all funds that had activity during the reporting year and/or balances on June 30.
- _____ 3. Reports for Bond Funds and Special Deposit Funds have been prepared for each sub-fund. For funds with multiple sub-funds, include a consolidated report.
- _____ 4. Reports have been prepared for Fiduciary Funds Outside the Centralized Treasury System (also known as Non-Treasury Trust Fund), fund number 0990 (i.e., money or property held in trust by a state agency that is not required to be deposited in a fund in the State Treasury).
- _____ 5. "SCO Use Only" areas on Reports 1, 3, and 5 are left blank, unless something is preprinted in that area.
- _____ 6. Font size for accounts and amounts is no smaller than size 10.

Certification Letter:

- _____ 1. Only one fund is listed on the Certification Letter, with the exception of funds with multiple sub-funds.
- _____ 2. Agency name, agency code, mailing address, and names of the Agency Director and Chief of Accounting and their respective email addresses appear on the letter.
- _____ 3. Include fund name and number for each fund being reported.
- _____ 4. All required reports are listed for each fund. If there are no amounts to report, include the statement "no activity to report" next to the appropriate report name.
- _____ 5. Contact name, phone number, and email address are listed for each fund.

- _____ 6. Include a statement certifying the reports listed are true and correct. The Certification Letter must be signed by the officer responsible for fiscal administration. Refer to SAM section 7951 for the example of the certification statement.

- _____ 7. On each Certification Letter, identify the fund that will include the Report of Accounts Outside the State Treasury (Report 14) and the Statement of Capital Assets (Report 19) with its year-end financial reports. Only one of each report is submitted per agency.

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

- _____ 1. Agency name, agency code, fund name, and fund number appear on every page.

- _____ 2. All amounts appear in dollars and cents and without dollar signs.

- _____ 3. Accounts without accruals and encumbrances are left blank. No 0.00 (zero) amounts.

- _____ 4. Total debits equal total credits for accruals and encumbrances. Net Debits/Credits on all pages (encumbrances and accruals) equal zero.

- _____ 5. Credit amounts appear without brackets or minus signs.

- _____ 6. General Ledger (GL) account numbers are the lowest level from the Uniform Codes Manual.

- _____ 7. For accruals to Due From Other Funds (GL 1410.FFFF) and Due To Other Funds (GL 3114.FFFF), the subsidiary numbers reflect the fund number of the other fund involved. Format your Due To/From Other Funds/Appropriations Supplemental Form using the example in the Manual.

- _____ 8. GL's 1410, 3114, 3410, and 3420 entries agree with Report 8: Post Closing Trial Balance.

- _____ 9. The **unencumbered amount** of Due From Other Funds (GL 1410.FFFF) agrees with the **unencumbered amount** of Due To Other Funds (GL 3114.FFFF) from other agencies. Use the format from the example in the Manual.

- _____ 10. Use fund number 0602 as the subsidiary number for Prepayments to the Architecture Revolving Fund (GL 1730) and the corresponding Reserve for Prepaid Items (GL 5330).

- _____ 11. Prepayments to the Service Revolving Fund (GL 1730.0666) and prepayments to the State Compensation Insurance Fund (GL 1730.0512) are **not** included.

- _____ 12. A four-digit subsidiary agency code is provided for Due From Other Appropriations (GL 1420.AAAA) and Due To Other Appropriations (GL 3115.AAAA). **If AAAA is your own agency, the amounts of these two accounts must equal.**

- _____ 13. For Allowance for Uncollectible Accounts (GL 1390.0XXXX), and Provision for Deferred Receivables (GL 1600.0XXXX), the subsidiary numbers reflect the GL account number for the related receivable preceded by a zero.

- _____ 14. Encumbrance amount is equal to or less than the accrual amount. Debit and credit signs for encumbrances are the same as the related accruals.

- _____ 15. Goods and services received but not paid as of June 30 should be accrued as actual expenditures and liabilities, not encumbrances.

- _____ 16. Accounts not listed on preprinted Form 571-C are included on Form 571 D and verified with SCO.

- _____ 17. No expenditure or transfer accruals are reported for reverted appropriations that will not be revived by SCO in the current year.

- _____ 18. Accruals for abatements or reimbursements to reverted appropriations are credited to Refunds to Reverted Appropriations (Account 500000). The Fiscal Year (FY) should be the prior year.

- _____ 19. Accruals on Forms 571A, 571B, and 571A/B agree with column totals on the Accrual Worksheet (Report 2). The Deferred Credits column may contain accruals for more than one GL account, but must be included on Report 1 as separate entries.

- _____ 20. Accruals on Forms 571A, 571B, and 571A/B agree with the GL account balances on the Pre-Closing Trial Balance (Report 7) and the Post-Closing Trial Balance (Report 8), excluding the nominal accounts and Fund Balance – Clearing or amounts already on the Controller's balances.

- _____ 21. Accruals on Forms 571C and 571D agree with the Net Total Accruals per Agency column on Report 2 (opposite sign). **Ensure accruals do not create an overdraft in the appropriation.**

- _____ 22. Accrual Amount reported for GL 3410-Revenue Collected in Advance or GL 3420-Reimbursements Collected in Advance, represents only the advance collections which are still in General Cash, not amounts previously remitted to SCO.

- _____ 23. Agency General Cash (GL 1110) has a debit balance.

- _____ 24. GL account number agrees with account description.

- _____ 25. For every amount, there is a D or C listed in the D/C column.

- _____ 26. **No** accruals are posted for Categories 95, 96, 98, and 99.
- _____ 27. No accruals are posted for **intrafund** (transfers between subfunds at the same fund) transfers for General Obligation Bond Funds.
- _____ 28. Abnormal accrual and/or encumbrance amounts are explained by a footnote or on a separate attachment.
- _____ 29. Reimbursement accruals on Form 571D require a four-digit fund number and a three-digit sub-fund number in the Source Fund field.
- _____ 30. Program 99 Clearing Account balances **need to be zero after accruals**.
- _____ 31. Category 97 Office Revolving Fund accrual must match the June 30 SCO amount (opposite sign) so the balance nets to zero.

Accrual Worksheet (Report 2):

- _____ 1. Column totals agree with the GL account balances on Reports 7 and 8, excluding GL 3400, nominal accounts, and Fund Balance – Clearing. (The Deferred Credits column on Report 2 may contain accruals for more than one GL account).
- _____ 2. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the amount reported does not include the amounts previously remitted to SCO; the amount reported should include only the amount in General Cash.
- _____ 3. Prepayments to Other Funds (GL 1730) and Advances to Other Funds (GL 2120) are included on Report 2.
- _____ 4. Provision for Deferred Receivables, Revenue Collected in Advance, Reimbursements Collected in Advance, Uncleared Collections, and the Revolving Fund Adjustment lines should net to zero in the Net Total Accruals per Agency column.
- _____ 5. For shared funds, the total agrees with Fund Balance – Clearing (GL 5570) (opposite sign) on Report 8.

Note: GL 5570 will differ by the amount of GL 3400, remitted to SCO.

OR

For non-shared funds: GL 1140
+ GL 1210
+ GL 3400 (receipted by SCO)
+ GL 5530
= Report 2 Total (opposite sign)

_____ 6. The grand total agrees with the total Apply Current Year column on Report 15.

Adjustments to Controller's Accounts (Report 3):

_____ 1. For Governmental Cost Funds, amounts reported should be adjustments that are needed to correct account balances on SCO records as of June 30.

_____ 2. For Nongovernmental Cost Funds, **use only Form 576A** for adjustments to Cash in State Treasury (GL 1140), Deposits in Surplus Money Investment Fund (GL 1210), Prepayments to Other Funds (GL 1730), and Advances to Other Funds (GL 2120). Only report the difference in amounts needed to bring the agency's balances into agreement with SCO cash basis records as of June 30.

_____ 3. Agency name, agency code, fund name, and fund number appear on every page.

_____ 4. All amounts appear in dollars and cents and without dollar signs.

_____ 5. Amount column is left blank for accounts without adjustments.

_____ 6. Total debits equal total credits.

_____ 7. Credit amounts appear without brackets or minus signs.

_____ 8. GL account numbers are the lowest level from the Uniform Codes Manual.

_____ 9. For adjustments to Due From Other Funds (GL 1410.FFFF) and Due To Other Funds (GL 3114.FFFF), the subsidiary numbers reflect the fund number of the other fund involved. Format your Due To/From Other Funds/Appropriations Supplemental Form using the example in the Manual.

_____ 10. A four-digit subsidiary agency code is provided for Due From Other Appropriations (GL 1420.AAAA) and Due To Other Appropriations (GL 3115.AAAA).

_____ 11. For Allowance for Uncollectible Accounts (GL 1390.0XXXX) and Provision for Deferred Receivables (GL 1600.0XXXX), the subsidiary numbers reflect the GL account number for the related receivable preceded by a zero.

_____ 12. For Governmental Cost Funds only, adjustments to accounts not preprinted on Form 576B are posted to Form 571D.

_____ 13. For Governmental Cost Funds only, no adjustments are reported for reverted appropriations that will not be revived by SCO in the current year.

_____ 14. For Governmental Cost Funds only, adjustment amounts on Form 576B agree with the adjustment amounts reported on Reports 5 and 15 and the supporting attachments.

- _____ 15. For Governmental Cost Funds only, debits and credits on Form 576B for each fund agree with the debits and credits on the Transaction Request form.

- _____ 16. Attachments explaining the adjustments (e.g., copy of SCO Transaction Request form) accompany Report 3, with each adjustment on Report 3 cross-referenced to the appropriate attachment. Adjustments must have been approved and posted by the SCO Bureau of Accounting and Consulting.

Statement of Revenue (Report 4):

- _____ 1. **Only current year revenue is reported.**

- _____ 2. Revenue agrees with the current year revenue on Report 15.

- _____ 3. Accruals agree with Report 1, Forms 571C and 571D.

- _____ 4. Adjustments to Controller's Accounts agree with Report 3, Form 576B.

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

- _____ 1. Preprinted amounts are not altered.

- _____ 2. If the agency does not agree with any preprinted amount, provide a footnote to indicate the amount per the agency's records.

- _____ 3. All amounts appear in dollars and cents and without dollar signs.

- _____ 4. Accruals agree with Report 1, Forms 571C and 571D.

- _____ 5. Adjustments to Controller's Accounts agree with Report 3, Form 576B.

- _____ 6. Adjustments to Controller's accounts and accruals are posted to both the Expenditures column and the Appropriation Balance column.

- _____ 7. Executive Orders and/or Budget Revisions approved by the Department of Finance by June 30, but not yet recorded in the Controller's records, are summarized on the Pending Budget Revisions/Allocation Orders/Executive Orders line in the Appropriation Balance column. See number 9 below.

- _____ 8. Allocation Orders not yet recorded in the Controller's records as of June 30 are summarized on the Pending Budget Revisions/Allocation Orders/Executive Orders line in the Appropriation Balance column. See number 9 below.

- _____ 9. Include supporting documentation, in the form of a Budget Revision, Allocation Order, and/or Executive Order for amounts reported as increases/decreases on the Pending

Budget Revisions/Allocation Orders/Executive Orders line in the Appropriation Balance column.

_____ 10. Expenditures agree with the corresponding expenditures on Report 15.

_____ 11. **Total appropriation balance is zero or a credit amount.**

Pre-Closing Trial Balance (Report 7):

_____ 1. All amounts appear in dollars and cents and without dollar signs.

_____ 2. Amount column is left blank for accounts without amounts.

_____ 3. Use "GLAN" as the column heading for the GL account numbers.

_____ 4. Total debits equal total credits.

_____ 5. Credit amounts appear without brackets or minus signs.

_____ 6. GL account numbers are the lowest level from the Uniform Codes Manual.

_____ 7. For Due From Other Funds (GL 1410.FFFF) and Due To Other Funds (GL 3114.FFFF), the subsidiary numbers reflect the fund number of the other fund involved. **FI\$Cal agencies must attach a Subsidiaries on File Report.** Format your Due To/From Other Funds/Appropriations Supplemental Form using the example in the Manual.

_____ 8. Use fund number 0602 as the subsidiary number for Prepayments to the Architecture Revolving Fund (GL 1730) and the corresponding Reserve for Prepaid Items (GL 5330). **FI\$Cal agencies must attach a Subsidiaries on File Report.**

_____ 9. A four-digit subsidiary agency code is provided for Due From Other Appropriations (GL 1420.AAAA) and Due To Other Appropriations (GL 3115.AAAA).

_____ 10. For Allowance for Uncollectible Accounts (GL 1390.OXXXX) and Provision for Deferred Receivables (GL 1600.OXXXX), the subsidiary numbers reflect the GL account number for the related receivable preceded by a zero. **FI\$Cal agencies must attach a Subsidiaries on File Report.**

_____ 11. Liabilities for Deposit (GL 3510/3520) has a credit or zero balance.

_____ 12. Beginning Fund Balance (GL 5530) on the current year Report 7 equals the ending Fund Balance (GL 5530), as reported on the prior-year Report 8.

- _____ 13. For shared funds, the FI\$Cal agency's beginning fund balance (GL 5570) on the current year Report 7 equals the ending Fund Balance (GL 5570) as reported on the prior-year Report 8.
- _____ 14. A footnote is provided to explain abnormal balances for all real and nominal accounts.
- _____ 15. **For non-shared funds**, the ending balance of GLs 1140 and 1210 displayed on Report 7 should have a debit balance and agree with the ending balance of GLs 1140 and 1210 displayed on the SCO Fund Reconciliation.

Special Instructions for the Federal Trust Fund ONLY:

- _____ 1. Due From Federal Government (GL 1510) is used only in the Federal Trust Fund, or any other fund in which federal monies are directly deposited.
- _____ 2. Revenue must equal expenditures; inflows must equal outflows. **All nominal accounts net to zero.**
- _____ 3. **Fund Balance – Unappropriated (GL 5530) must be zero.**
- _____ 4. A debit balance in GL 5530 is an overdraft and must be corrected prior to submission.
- _____ 5. Cash in State Treasury (GL 1140) must equal the total of appropriation control "C" accounts and grant (1944) "C" accounts from the SCO agency reconciliation.

Post-Closing Trial Balance (Report 8):

- _____ 1. Asset and liability amounts agree with Report 7.
- _____ 2. For non-shared funds, Fund Balance – Unappropriated (GL 5530) has a zero or credit balance.

Analysis of Change in Fund Balance (Report 9):

- _____ 1. The beginning fund balance agrees with the ending fund balance from the prior-year Report 9.
- _____ 2. A footnote is provided to explain adjustments that changed the prior-year ending fund balance.
- _____ 3. Receipts and disbursements agree with Report 7.
- _____ 4. The ending fund balance agrees with the fund balance (opposite sign) on Report 8.
- _____ 5. The fund balance for the Federal Trust Fund is zero.

Report of Expenditures of Federal Funds (Report 13)

Report 13 is submitted to the Department of Finance, Fiscal Systems and Consulting Unit (FSCU) with a copy to SCO.

- _____ 1. The grand total of expenditures equals Expenditures (GL 9000) on Report 7 for the Federal Trust Fund.

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

- _____ 1. All agencies will use FI\$Cal to generate a Report 14. Once Report 14 is generated, agencies should print, sign, and send a paper copy with a wet signature to SCO. The hardcopy is due by August 20. Indicate on each Certification Letter which fund's set of reports will include Report 14.
- _____ 2. Agency name and agency code are included on the report.
- _____ 3. Departments should verify the accounts, purpose, authority to be sure they are consistent.
- _____ 4. ZBA's are included on the report.
- _____ 5. If there are no accounts outside the State Treasury, indicate "No accounts outside State Treasury" on Report 14 and on the Certification Letter of the fund submitting Report 14. Include accounts closed during the FY and specify the date of closure. The report must be signed by the agency head or designee.

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

- _____ 1. All amounts appear in dollars and cents and without dollar signs.
- _____ 2. Amounts in the Transactions per Controller column agree with the balances on the Controller's records as of June 30.
- _____ 3. Amounts reflected in the Reverse Prior Year Accruals and Reverse Prior Year Adjustments to Controller's Accounts columns agree with the amounts in the Apply Current Year Accruals and Apply Current Year Adjustments to Controller's Accounts columns, respectively, on the previous year's Report 15, including revision amounts submitted for the prior year.
- _____ 4. Amounts reflected in the Reverse Prior Year Adjustment to Controller's Accounts column agree with the amounts in SCO's Prior Year Accrual Summary report (opposite sign).
- _____ 5. Amounts reflected in the Apply Current Year Accruals column agree with the accruals on Report 2 (opposite sign).

- _____ 6. Amounts reflected in the Apply Current Year Adjustments to Controller's Accounts column agree with the adjustments on Report 3.
- _____ 7. Total of the left side of the report (column G) agrees with the total of the Transactions for Agency Accounts columns on the right side of the report.
- _____ 8. Totals in the Transactions for Agency Accounts columns agree with the nominal account balances in Report 7.
- _____ 9. For shared funds, the total of the Apply Current Year Accruals column agrees with the Fund Balance – Clearing (GL 5570) amount on Report 8 and the grand total on Report 2 (opposite sign). GL 5570 will differ by the amount of any Advance Collections (GL 3410 and/or GL 3420) remitted to SCO and GL 1210-Surplus Money Investment Fund.
- _____ 10. If the fund is a non-shared fund, the total of Current Year Accruals column F on Report 15 agrees with the total on Report 2 (opposite sign) and the sum of Cash in State Treasury (GL 1140), Deposits in Surplus Money Investment Fund (GL 1210), Revenue Collected in Advance (GL 3410), and Fund Balance – Unappropriated (GL 5530).
- _____ 11. **All Clearing Account balances in column G must be zero.**

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

- _____ 1. A separate report has been prepared for each fund, except Fiduciary Funds that were acquired with non-General Fund money. Check SAM for updates on the reporting requirements for capital assets.
- _____ 2. Beginning balances agree with the prior year's ending balances.
- _____ 3. A footnote is provided if an adjustment to the beginning balance is needed.
- _____ 4. Ending balances are debit amounts.
- _____ 5. If there are no capital assets for a fund, note on the Certification Letter "no capital assets to report."

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

- _____ 1. Total of all capital assets of the agency is reflected in the report.
- _____ 2. Ending balance agrees with the total ending balances on all Report 18s. Check SAM for the reporting requirements for capital assets.

- _____ 3. Indicate on each Certification Letter which fund's set of year-end financial reports will include Report 19.

Statement of Financial Condition (Report 20):

- _____ 1. Amounts agree with Report 8.

Statement of Contingent Liabilities (Report 22):

- _____ 1. Amounts on this report are not reflected in any GL account.
- _____ 2. Report does not include FY, appropriation, or funding information.

Due To/From Other Funds/Appropriations Supplemental Form:

- _____ 1. Due To/From Other Funds/Appropriations Supplemental Form should match Report 8 Subsidiaries on File.
- _____ 2. For each amount posted to GL 1410.XXXX/3114.XXXX, provide the four-digit agency code and agency name related to the accrual on the Supplemental Form.
- _____ 3. Accruals for Due From Other Appropriations (GL 1420) or Due To Other Appropriations (GL 3115) include the four-digit agency codes identifying the other agencies involved.
- _____ 4. The total of the GL account must agree with the GL balance on Reports 7 and 8.
- _____ 5. The Due To/From Other Funds/Appropriations Supplemental Form (Excel format) on the SCO website can be used in lieu of the FISCAL generated supplemental report. SCO link: https://www.sco.ca.gov/ard_reporting.html.

Material Variance Explanation Form

- _____ 1. Submit one copy of the form with the Year-End Reports to SCO, even though there is no activity to report.

Revisions to Year-End Financial Reports (Forms 571E and 571F):

- _____ 1. This report contains the revisions needed to correct the amounts previously submitted on Reports 1, 3 (Governmental Cost Funds), or 7 (Nongovernmental Cost Funds). Do not submit another complete set. Submit only the reports affected by the change(s). **The amount on the revised form should only be the difference between the original amount reported and the correct amount.**

- _____ 2. The amounts on this report, plus the amounts on Reports 1 and 3 that were originally submitted to SCO, agree with the agency's revised balances.
- _____ 3. Agency name, agency code, fund name, and fund number appear on every page.
- _____ 4. All amounts appear in dollars and cents and without dollar signs.
- _____ 5. Total debits equal total credits.
- _____ 6. Credit amounts appear without brackets or minus signs.
- _____ 7. GL account numbers are the lowest level from the Uniform Codes Manual.
- _____ 8. For revisions to Due From Other Funds (GL 1410.FFFF) and Due To Other Funds (GL 3114.FFFF), the subsidiary numbers reflect the fund number of the other fund involved. Format your Due To/From Other Funds/Appropriations Supplemental Form using the example in the Manual.
- _____ 9. A four-digit subsidiary agency code is provided for Due From Other Appropriations (GL 1420.AAAA) and Due To Other Appropriations (GL 3115.AAAA).
- _____ 10. For Allowance for Uncollectible Accounts (GL 1390.OXXXX) and Provision for Deferred Receivables (GL 1600.OXXXX), the subsidiary numbers reflect the GL account number for the related receivable preceded by a zero.
- _____ 11. Attachments explaining the revisions accompany this report with each adjustment on the report cross-referenced to the appropriate attachment.
- _____ 12. Obtain approval from SCO if revisions must be submitted after the due date.
- _____ 13. Only material amounts per SAM section 7981 are submitted as revisions.

Checklists for Open House:

At the end of the reporting cycle, SCO compiles and prepares four criteria checklists/worksheets that are posted on the SCO website. These checklists are available for the agencies to view and assess how they performed on their budgetary/legal year-end financial reports. The only criterion pertaining to GAAP is whether or not the GAAP-related adjustments and/or audit reports were received by the due date. The four criteria checklists/worksheets are:

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

• Financial Reporting Criteria Checklist

The Financial Reporting Criteria Checklist is a fundamental high-level checklist that SCO fiscal analysts use when reviewing the year-end financial reports. One checklist is prepared for each particular fund and agency code combination. This checklist is used to determine whether or not a fund meets the requirements for financial reporting. Any "No" answer on the checklist indicates disqualification from excellence in financial reporting. Criteria #9 to #11 are explained further in this section.

Budgetary/Legal Basis Reporting Criteria:

Due Dates:

- o Agency year-end financial reports must be received by the due dates (July 31 and/or August 20).
- o Revisions to reports received after the above due dates are considered delinquent.

Certification Letter:

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

Error Percentages Limit:

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

Reports 1 and 3:

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

Report 5:

- All amounts reported as an increase/decrease on the Pending Budget Revisions, Allocation Orders, and/or Executive Orders line in the Appropriation Balance column must include supporting documentation (i.e., a copy of the pending Budget Revision, Allocation Order, and/or Executive Order).

Reports 7 and 8:

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

Report 14:

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

Material Variance Explanation Form:

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

Due To/From Other Funds/Appropriations Supplemental Form:

- Must be filled out correctly with amounts and accounts verified and reconciled with the other respective agency(s).

GAAP Basis Reporting Criteria:

- GAAP adjustments and other information is due by September 3, 2020.
- Draft reports audited by outside Certified Public Accounting firms is due by October 1, 2020.
- Final reports audited by outside Certified Public Accounting firms is due by October 15, 2020.
- Information must not have errors exceeding a materiality level of \$1 million.

Note: A sample Criteria Checklist that is used by SCO to determine whether a fund has met all of the necessary financial reporting requirements contained in this Manual is presented on the next page.

**STATE CONTROLLER'S OFFICE
2018-19 YEAR-END FINANCIAL REPORTING CRITERIA CHECKLIST**

Fund Number: 0407 Agency Code 6360 Fund Type G Analyst Lie

BUDGETARY/LEGAL BASIS REPORTING CRITERIA

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

1. The Budgetary Reports were received on 8/5/2019. Was that on or before the due date? _____ Yes
 July 31, 2019 - General Fund, SFEU, and Feeder Funds
 August 20, 2019 - All Other Funds
2. Certification Letter format is correct, and includes the following: contact name, phone number, email address, agency name, organization code, one fund name, one fund number _____ Yes
3. All required reports were received or noted on certification letter _____ Yes
4. Authorized report format was used _____ Yes
5. Debits equal credits _____ Yes
6. (Governmental Cost/Bond Funds only) CalSTARS automated reports (CSYDB3-1 – TC 24 / 34 / 71) are free of errors that require further SCO action to clear _____ N/A
7. Total error rate is less than or equal to 2% _____ Yes

Possible Errors					
1 error PER infraction:	Amount entered on wrong line	Wrong account numbers	"SCO Only" box used		
	Subsidiary accounts missing	No agency/fund number on first page			
1 error for ALL infractions:	"0"s present in Encumbrance column	"0"s present in Amount column			
	Symbols such as "\$", "-", or "()" used				
Error Calculation					
Total Errors	0	Divided by Total Entries	47	Error %	0.00%

8. Final revision received on _____ Before due date listed in Criteria 1? _____ N/A
9. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of expenditures incurred in the current year _____ Yes
10. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of revenues realized in the current year _____ Yes
11. (All Funds except 0001) Is the ending fund balance in the Annual Report within \$100,000 and 3% of the ending fund balance in the Governor's Budget Fund Condition Statement? _____ Yes
12. GL accounts 3114 and 1410 (Due To/From Other Funds) are included in the Due From and Due To Supplementary Information Form identifying the related fund and organization Code(s) _____ Yes
13. GL accounts 3115 and 1420 (Due To/From Other Appropriations) have subsidiary accounts identifying the related organization code(s) _____ Yes
14. Supporting documentation and/or footnotes are provided for all accounts with abnormal Accruals/balances _____ N/A
15. Supporting documentation is provided for any amount listed on the Report 5 or CSYDB3 as a pending Budget Revision, Executive Order, Allocation Order, etc _____ N/A
16. Material Variance Explanation Form is submitted _____ Yes

GAAP BASIS REPORTING CRITERIA

17. Were GAAP adjustments and/or audit reports submitted on time? _____ N/A
 September 03, 2019 - GAAP adjustments, Proprietary fund statements, Note Information, Statement of Changes in Assets and Liabilities, etc.
 October 01, 2019 - Draft Audit or October 15, 2019 - Final Audit, if draft received by 10/01

Notes/Errors

MEETS ALL FINANCIAL REPORTING CRITERIA? Yes

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

• **Expenditure Criteria Worksheet**

The Expenditure Criteria Worksheet is a compilation and calculation of the total current year expenditures, accruals, and prior-year accruals for a particular fund and agency code. Each open and active expenditure control account for the fund is listed on the worksheet. One of the financial reporting criteria for Governmental Cost Funds and Bond Funds is that prior-year expenditure accruals are within 10% of total expenditures incurred during the reporting year. See Financial Reporting Criteria Checklist criterion #9. This means the Total Prior Year Expenditure Accruals (C) must fall between 90% and 110% of the Total Expenditures as of June 30 (A) plus the Total Current Year Expenditure Accruals (B). If it does not meet the 10% variance, a "No" will be displayed on this worksheet as well as checked on the Financial Reporting Criteria Checklist criterion #9, which indicates a disqualification. A sample of the Expenditure Criteria Worksheet is illustrated below.

**2018-19 Financial Reporting Checklist
Expenditure Criteria Worksheet**

Fund: 0407000 Agency: 6360 Analyst: Lle

Fund	Agency	FY	Ref	Enc Date	(A)	(B)	(C)
					Expenditures as of June 30	CY Expenditure Accruals	PY Expenditure Accruals
0407000	6360	2016	001	06/30/2017	41,755.45	0.00	62,217.74
0407000	6360	2016	00117	06/30/2018	813,299.32	0.00	855,303.71
0407000	6360	2017	001	06/30/2018	8,654,397.57	8,632.76	8,695,729.81

Total:	9,509,452.34	8,632.76	9,613,251.26
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To meet the Financial Reporting criteria, the Total Prior Year Expenditure Accruals (C) must be between 90% and 110% of the Total Expenditures as of June 30 (A) + the Total CY Expenditure Accruals (B).

Total Expenditures as of June 30 (A) =	9,509,452.34
Total CY Expenditure Accruals (B) =	8,632.76
Total Expenditures as of June 30 (A) + Total CY Expenditure Accruals (B) =	9,518,085.10
90% x (Total Expenditures as of June 30 (A) + Total CY Expenditure Accruals (B)) =	8,566,276.59
Total PY Expenditure Accruals (C) =	9,613,251.26
110% x (Total Expenditures as of June 30 (A) + Total CY Expenditure Accruals (B)) =	10,469,893.61

Are the Total PY Accruals between 90% and 110% of the Total Exp as of June 30 + Total CY Exp Accruals? Yes

• **Revenue Criteria Worksheet**

The Revenue Criteria Worksheet is a compilation and calculation of the total current year revenues, accruals, and prior-year accruals for a particular fund and agency code. Only prior-year revenue account(s) for the fund is/are included in the calculation on this worksheet. One of the financial reporting criteria for Governmental Cost Funds and Bond Funds is that prior-year revenue accruals are within 10% of total revenues realized during the reporting year. See Financial Reporting Criteria Checklist criterion #10. This means the Total Prior Year Revenue Accruals (C) must fall between 90% and 110% of the Total Revenues as of June 30 (A) plus the Total Current Year Revenue Accruals (B). If it does not meet the 10% variance, a "No" will be displayed on this worksheet as well as checked on the Financial Reporting Criteria Checklist criterion #10, which indicates a disqualification. A sample of the Revenue Criteria Worksheet is illustrated below.

**2018-19 Financial Reporting Checklist
Revenue Criteria Worksheet**

Fund: 0407000 Agency: 6360 Analyst: Lle

Fund	Agency	FY	Revenue Account*	(A)	(B)	(C)
				Revenue as of June 30	CY Revenue Accruals	PY Revenue Accruals
0407000	6360	2017	0161400	(24.50)	0.00	(24.50)
0407000	6360	2017	0122900	(153,284.00)	0.00	(154,080.00)
0407000	6360	2017	0125600	(1,421.00)	0.00	(1,421.00)
0407000	6360	2017	0150300	(107,492.31)	0.00	(107,492.31)
0407000	6360	2017	0141200	(66.95)	0.00	(66.95)

Total: (262,288.76) 0.00 (263,084.76)

To meet the Financial Reporting criteria, the Total Prior Year Revenue Accruals (C) must be between 90% and 110% of the Total Revenue as of June 30 (A) + the Total CY Revenue Accruals (B).

Total Revenue as of June 30 (A) =	(262,288.76)
Total CY Revenue Accruals (B) =	0.00
Total Revenue as of June 30 (A) + Total CY Revenue Accruals (B) =	(262,288.76)
90% x (Total Revenue as of June 30 (A) + Total CY Revenue Accruals (B)) =	(236,059.88)
Total PY Revenue Accruals (C) =	(263,084.76)
110% x (Total Revenue as of June 30 (A) + Total CY Revenue Accruals (B)) =	(288,517.64)

Are the Total PY Accruals between 90% and 110% of the Total Rev as of June 30 + Total CY Rev Accruals? Yes

* Excludes revenue accounts 0161000, 0500000, 0530000, and 03XXXXX

• **Governor’s Budget Criteria Worksheet**

The Governor’s Budget Criteria Worksheet displays the comparison between the Governor’s Budget ending fund balance and the SCO’s ending fund balance less Reserved for Encumbrances. It calculates whether SCO’s ending fund balance matches, is overstated, or is understated compared to the Governor’s Budget ending fund balance. One of the financial reporting criteria for all funds, except the General Fund, is to have the ending fund balance within \$100,000 and 3% of the ending fund balance on the Governor’s Budget Fund Condition Statement. See Financial Reporting Criteria Checklist criterion #11. Samples of the Governor’s Budget Criteria Worksheet and Governor’s Budget Fund Condition Statement are illustrated below.

**2018-19 Financial Reporting Checklist
Governor’s Budget Criteria Worksheet**
(Amounts in thousands)

Fund: 0407		Agency: 6360		Analyst: Lle	
SCO’s ENDING FUND BALANCE LESS RESERVED FOR ENCUMBRANCE JUNE 30	GOVERNOR’S BUDGET ENDING FUND BALANCE JUNE 30	SCO’S FUND BALANCE IS OVERSTATED (UNDERSTATED) AS OF JUNE 30	OVER/UNDER- STATEMENT AS A PERCENTAGE OF GOVERNOR’S BUDGET ENDING FUND BALANCE	MEETS FINANCIAL REPORTING CRITERIA?	
24,611	24,609	2	0%	Yes	

If the overstatement/understatement is less than \$100,000, the fund meets the financial reporting criteria, regardless of percentage.

If the overstatement/understatement is greater than \$100,000 AND greater than 3%, the fund does not meet the financial reporting criteria.

6360 Commission on Teacher Credentialing

FUND CONDITION STATEMENTS

	2018-19*	2019-20*	2020-21*
0407 Teacher Credentials Fund⁸			
BEGINNING BALANCE	\$20,769	\$24,609	\$25,219
Prior Year Adjustments	96	-	-
Adjusted Beginning Balance	<u>\$20,865</u>	<u>\$24,609</u>	<u>\$25,219</u>
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4128400 Teacher Credential Fees	26,352	26,484	26,616
4129200 Other Regulatory Fees	55	65	65
4140000 Document Sales	5	5	5
4163000 Investment Income - Surplus Money Investments	537	537	537
4171100 Cost Recoveries - Other	755	755	-
4171400 Escheat - Unclaimed Checks, Warrants, Bonds, and Coupons	7	3	3
4172500 Miscellaneous Revenue	2	2	2
Total Revenues, Transfers, and Other Adjustments	<u>\$27,713</u>	<u>\$27,851</u>	<u>\$27,228</u>
Total Resources	<u>\$48,578</u>	<u>\$52,460</u>	<u>\$52,447</u>
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
6360 Commission on Teacher Credentialing (State Operations)	22,694	24,154	24,283
8880 Financial Information System for California (State Operations)	3	-2	-
9892 Supplemental Pension Payments (State Operations)	199	425	425
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	1,073	2,664	2,591
Total Expenditures and Expenditure Adjustments	<u>\$23,969</u>	<u>\$27,241</u>	<u>\$27,299</u>
FUND BALANCE	<u>\$24,609</u>	<u>\$25,219</u>	<u>\$25,148</u>
Reserve for economic uncertainties	24,609	25,219	25,148

Financial Report Checklist to Assist with the DOF/SCO Reconciliation

DOF and SCO collaborate to reconcile every Governmental Cost Fund. The Fund Condition Statement presented in the Governor's Budget should reconcile with the Statement of Operations presented in the BLBAR. In order for the fund to reconcile, the data reported by the agencies to SCO via their year-end financial reports must equal the data provided to DOF via their budget documents. DOF issues Budget Letters on its website that address the budgeting and accounting relationship. SAM section 6400 states that fund balance, revenues, expenditures, and other accounting data included in the past year's presentation of the Governor's Budget must be equivalent in amount and classification with similar data published in the SCO's BLBAR.

DOF designates an administering agency for each fund that is responsible for the overall management of the fund. Information is available at http://www.dof.ca.gov/budget/budget_letters/.

The following checklist is provided to assist with the agency's fund review process. It is a summary of the checklist that SCO uses when reviewing each fund's Balance Sheet and Statement of Operations after the accruals from each of the shared agencies have been posted.

- ___ 1. Current year (CY) beginning fund balance equals prior year (PY) ending fund balance. Compare the CY Pre-Closing Trial Balance (Report 7) and PY Post-Closing Trial Balance (Report 8).
- ___ 2. Fund balance is zero, if required. Some funds must have a zero fund balance at the end of each year (i.e. Federal Trust Fund, Local Revenue, and pass-through funds).
- ___ 3. Assets, Expenditures, and Transfers Out are debits. Abnormal balances must have an explanation.
- ___ 4. Liabilities, Revenues, and Transfers In are credits. Abnormal balances must have an explanation.
- ___ 5. Transfers In/Out match the transfers included in the Fund Condition Statement for each fund included in the Enacted Budget. Typically, Fund Condition Statements for Nongovernmental Cost Funds are not included in the Enacted Budget. See Enacted Budget located at <http://www.ebudget.ca.gov/budget/publication/#/e/2019-20/FundIndex>.
- ___ 6. The Material Variance Explanation Form is completed, material amounts have been researched, a detailed explanation has been provided, and one copy of the form is included with the required year-end reports. The Material Variance Explanation Form is located on the SCO website at https://sco.ca.gov/ard_reporting.html

Revisions

Submitting Revised Reports

General Instructions

If it is necessary to revise the amounts reported on the original year-end financial reports, use the forms provided on the SCO website at https://www.sco.ca.gov/ard_reporting.html. The amounts reported as revisions for all fund types should only be the difference between the original amount reported and the correct amount. It is not necessary to send an entire new set of year-end financial reports. Please refer to SAM 7981 for the revised threshold amount.

Revisions to year-end financial reports are due by September 15, 2020.

All revisions require a Certification Letter, along with the Revisions to Accruals and Adjustments to Controller's Accounts, Forms 571E and 571F, sent to email BLFinrep@sco.ca.gov. A hard copy must also be submitted. The Certification Letter should state "Revised."

- After September 15, 2020, agencies are required to obtain approval prior to submitting revisions by emailing BLFinrep@sco.ca.gov.

Governmental Cost Fund Revisions:

If you have revisions for a Governmental Cost Fund, submit the following:

- A revised Certification Letter for the Governmental Cost Fund.
- Forms 571E and 571F, Revision to Accruals and Adjustments to Controller's Accounts. The amount on the revised form should only be the difference between the original amount reported on Report 1 and/or 3 and the correct amount.

Nongovernmental Cost Fund Revisions:

If you have revisions for a Nongovernmental Cost Fund, submit the following:

- A revised Certification Letter for the Nongovernmental Cost Fund.
- Only Form 571E, Revisions to Accruals and Adjustments to Controller's Accounts. The amount on the revised form should only be the difference between the original amount reported on Report 7 and the correct amount.

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

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

This report consists of the following forms:

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

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

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

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents.
- **Do not** use dollar signs (\$).
- Leave Amount column blank for accounts with zero balances. **Do not** enter zeros.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the revision. Revised adjusting entries must be submitted, approved, and posted by the SCO Bureau of Accounting and Consulting before they are processed for year-end reporting. Each entry must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column of Form 571E and to the right of the amount on Form 571F.

Specific Instructions

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

Form 571E

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

Form 571F

- 1 **Agency Name and Number:** Enter the agency name and number.
- 2 **Fund Name and Number:** Enter the fund name and number.
- 3 **Name of Contact Person and Title:** Enter the name and title of the person to contact with questions concerning this report.
- 4 **Telephone Number:** Enter the contact person's telephone number.
- 5 **Email Address:** Enter the contact person's email address.

- 6 **Appropriation and Revenue Account Titles:** Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.
- 7 **FY through Revenue/Object:** Enter the disbursement, reimbursement, transfer, or receipt account number from the original set of reports that is being revised. **Do not** post to categories 94, 95, 96, 98, and 99.
- Note:** The Revenue/Object is the six-digit receipt account. Follow instructions for Form 571D.
- 8A **Amount:** Enter the adjustment needed to correct amounts previously submitted on Reports 1 and/or 3.
- 8B **D/C (Debit or Credit):** Enter D when the amount in the Amount column is a debit and C when the amount is a credit.
- 8C **Net Debits/Credits:** Enter the net of the debits and credits in the Accrual Amount column and indicate it as D or C.
- 9A **Encumbrances:** Enter the adjustment needed to correct the amounts previously submitted on Reports 1 and/or 3. The net encumbrance amount must not exceed the total accrued Payables and Due To's after this revision.
- 9B **D/C (Debit or Credit):** Enter D when the encumbrance amount in the Encumbrance column is a debit and C when the amount is a credit.
- 9C **Net Debits/Credits:** Enter the net of the debits and credits in the Encumbrance column and indicate it as D or C.

REVISION TO REPORT NOS. 1 & 3 Form 571 E (Rev. 7/19)

Revisions to Accruals and Adjustments to Controller's Accounts

SCO USE ONLY			
Document No.	C C Y M M D D	Fund	Agency
D			

June 30, 20XX

Page ___ of ___

Agency Name and Number (1) Department of Training (1234)	Fund Name and Number (2) Non-Governmental Cost Fund (XXXX)	
Name of Contact Person, Title (3) U.R. Dunne, Accounting Officer	Telephone Number (4) (916) 123-4567	Email Address (5) UR.Dunne@training.ca.gov

ACCOUNT TITLE	(8A) ENCUMBRANCES	(8B) D C	(6) ACCOUNT	(7A) AMOUNT	(7B) D C
Net Debits/Credits	(8C) —		Net Debits/Credits	(7C) —	

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

Memorandum

Example 7
REVISED
Governmental
Cost Fund

Date:

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

Governmental Accounting Advisory Board (1234)
123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

GENERAL FUND (0001) – REVISED

<u>Report</u>	<u>Description</u>
1 & 3	Revisions to Accruals and Adjustments to Controller's Accounts (Forms 571E & 571F)

SPECIAL REPORTS (if any)

<u>Report</u>	<u>Description</u>
18	Statement of Changes in Capital Assets Group of Accounted – Revised
19	Statement of Capital Assets Group of Accounts – Revised

SUPPLEMENTAL FORMS / CHECKLIST (if any)

- Due To/From Other Funds/ Appropriations Supplemental Form
- Material Variance Explanation Form
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Officer

Memorandum

Example 8
REVISED
**Nongovernmental
Cost Fund**

Date:

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

Governmental Accounting Advisory Board (1234)
123 Elm Street, Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

NONGOVERNMENTAL COST FUND (4321) – REVISED

<u>Report</u>	<u>Description</u>
1 & 3	Revisions to Accruals and Adjustments to Controller's Accounts (Form 571E only)

SPECIAL REPORTS (if any)

<u>Report</u>	<u>Description</u>
18	Statement of Changes in Capital Assets Group of Accounted – Revised
19	Statement of Capital Assets Group of Accounts – Revised

SUPPLEMENTAL FORMS / CHECKLIST (if any)

- Due To/From Other Funds/Appropriations Supplemental Form
- Material Variance Explanation Form
- Checklist

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

I certify (or declare) under penalty of perjury that the attached reports are true, accurate and complete, and were prepared following the applicable laws, regulations, policies, procedures, and instructions. I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090) and Article 2, Chapter 1, Part 3, Division 3, Title 2, Government Code (commencing with Section 13030).

Subscribed and executed this [Day] of [Month], 20XX, at [City], California.

Signature of Officer/Name and Title of Office

Common Errors

COMMON ERRORS:

1. GL 1140 (Cash in State Treasury) and GL 1210 (Deposits in SMIF) on Report 7 and 8 did not match SCO's June 30 balances.
2. A fund number was not used as the subsidiary for GLs 1410.FFFF (Due From Other Funds) and 3114.FFFF (Due To Other Funds).
3. An agency code was not used with GLs 1420.AAAA (Due From Other Appropriations) and 3115.AAAA (Due To Other Appropriations). The amounts of GLs 1420 and 3115 did not match when the accruals were between the same agency.
4. Program 99 (Clearing Account) balances were not zero.
5. Fund balance for the Federal Trust Fund was not zero on Reports 7, 8, and 9.
6. Encumbrances exceeded the accrual amounts on Report 1. Goods and services received, but not paid as of June 30, were encumbered.
7. Missing/incomplete financial statements, including required supplemental forms.
8. Expenditure appropriation balances did not have a zero or credit balance.
9. The beginning fund balance did not equal the prior year ending fund balance and there was no footnote explanation.
10. An incorrect Report 3 (Form 576B) was submitted for Nongovernmental Cost Funds.
11. Abnormal balances did not have footnote explanations.
12. GL 2170 (Interfund Loans Receivable) did not match GL 5370 (Reserve for Interfund Loans Receivable); GL 4050 (Interfund Loans Payable) did not match GL 2500 (Provision for Deferred Interfund Loans Payable).
13. The accruals on Report 1 did not match the accruals on Reports 2, 4, 5, and 15.
14. Revisions were submitted with a complete new set of reports instead of revised reports with differences of what were originally submitted.
15. A revised Certification Letter was not submitted.
16. A hard copy of Report 14 with a wet signature was not submitted and/or Report 14 did not match the Report 14 sent to the State Treasurer's Office.

Refer to the following procedures or training materials to learn how to avoid common errors.

- SCO Year-End Financial Reports Procedure Manual: https://sco.ca.gov/ard_reporting.html
- Information and training materials related to FI\$Cal: <https://Fiscal.ca.gov> and http://www.dof.ca.gov/Accounting/Consulting_and_Training/FISCAL_Training/



BETTY T. YEE

**California State Controller's Office
State Accounting and Reporting Division**

P.O. Box 942850

Sacramento, CA 94250

(916) 445-2636

www.sco.ca.gov