

Year-End Financial Reports Procedure Manual

Budgetary/Legal Basis

**For the Fiscal Year Ended
June 30, 2026**



**MALIA M. COHEN
California State Controller**

**State Controller's Office
State Accounting and Reporting Division
State Government Reporting – Budgetary/Legal**

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Introduction

Government Code (GC) section 12460 states:

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

It is important that state agencies/departments 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/departments in preparing their reports.

The Manual contains general information for the fiscal year (FY) ending June 30, 2026, as well as specific details for preparing the reports required by SCO.

Agencies/Departments should consider the following information when filing the FY 2025-26 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. SCO is accepting electronic signatures (digitally signed, electronic image signed, DocuSign, etc.) on Certification Letters.

- **Revised Year-End Financial Reports**

Departments should monitor revenues and expenditures and revise financial reports for material events per SAM section 7981. A revised and signed Certification Letter is required when submitting revised year-end financial reports.

- **Consolidated Report 7 and Report 8**

In addition to a separate set of year-end financial reports for each sub-fund, agencies/departments are required to submit a consolidated Report 7 and Report 8 for funds with multiple sub-funds.

State Controller's Office Expectations for Agencies/Departments

Reporting

- Read and comply with the Manual.
- Use reporting resources listed on the SCO website at: https://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/Departments 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://sco.ca.gov/ard_bl_delinquent_reports.html
Such agencies/departments may also be subject to withholding of any or all operating funds in accordance with [Government Code 12461.2](#).

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 an SCO analyst how to minimize errors on year-end financial reports.

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General Information

Availability of Controller's Documents to Agencies/Departments

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

Availability Date	Document
May 29, 2026	Prior Year Accrual Summary ^a
July 3, 2026	SCO Journal Entries for June
July 3, 2026	Monthly Reconciliation Reports (Agency and Fund)
July 15, 2026	Department Fund Checklist ^{a,b}
July 15, 2026	Report of Accruals to Controller's Accounts (Report 1: Excel format with 571 A and 571 D) ^a
July 15, 2026	Adjustments to Controller's Accounts (Report 3: Excel format with 576 A and/or 576 B) ^a
July 15, 2026	Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records (Report 5: Form 573) ^a

a. It is available at https://sco.ca.gov/ard_reporting.html.

b. 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/department has any activity within Fund 0990, then year-end financial reports must be submitted.

Deadlines and Deliverable Dates for Year-End Financial Reports

Due Date	Fund(s) Year-End Financial Reports
August 31, 2026	All funds. Submit electronic documents.
August 31, 2026	Summary of Year End Reports Submitted along with Year End Reports package for each electronic submission. Please check SCO website for workbooks and instructions. https://sco.ca.gov/ard_reporting.html
November 16, 2026	Year-End Financial Reports Revision, if any.
November 16, 2026	Accounts Receivable Report Please check SCO website: https://sco.ca.gov/ard_reporting.html for instructions.

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

Delivery for Reports

ELECTRONIC DELIVERY ONLY:

Do not mail or hand deliver year-end financial reports to SCO.

- SCO requires electronic submission for all year-end reports (digitally signed, electronic image signed, DocuSign, etc.); however, agencies/departments should retain copies of original documents (wet signature or electronic copy) for their audit and record keeping purposes.
- Send all financial reporting packages with Summary of Year-End Reports Submitted worksheet or Summary of Year-End Reports Revision worksheet via an email to BLFinRep@sco.ca.gov, and include the BU number, fund number(s), and reporting fiscal year on the subject line for **each email submission**. A Certification Letter is still required for each fund submitted.
- The size of the email must be less than 25MB to be able to pass through SCO's security filter.
- Save all reports, except Excel reports, in PDF format before sending them to SCO. Please avoid scanning reports in a manner that results in blurry images. **Please do not send in a format that SCO cannot open**, for example, a password protected document.
- All reports must be electronically received by SCO by 11:59 pm on the day they are due.

REMINDERS

- Label each report with the agency's/department's name and four-digit business unit/organization 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** submit reports that have zero amounts or that are blank (except Material Variance Explanation Form) but note on the Certification Letter "no activity to report."
- Certification Letter must be signed. SCO accepts all forms of electronic signature (digitally signed, electronic image signed, DocuSign, etc.).

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 Department of Finance and the Department of General Services. The MOU demonstrates support for the Project at the highest levels of these organizations and provides the framework for this project.

DOF will continue to provide year-end training for agencies/departments using FI\$Cal. Agencies/departments may contact DOF – Fiscal Systems and Consulting Unit (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/departments may refer to the sample reports provided in this Manual for assistance in preparing their year-end financial reports.

Additional information on FI\$Cal resources is available at the links below:

[Consulting and Training | Department of Finance \(ca.gov\)](#)

[FI\\$Cal Resources for Accounting | Department of Finance](#)

[User Support|FI\\$Cal - State of California. One state. One system.](#)

<https://www.fiscal.ca.gov/>

Parallel Validation of Year-End Financial Reporting for FY 2025-26

For the FY 2025-26 reporting year, SCO will perform a parallel validation to confirm that FY 2026–27 beginning balances in FI\$Cal align with SCO records before the transition to the Reporting Book of Record. Please see the following memo for additional information:



State of California

Malia M. Cohen, California State Controller

Memorandum

Date: May 21, 2026

To: All Agencies and Departments

From: **State Controller's Office**
State Accounting and Reporting Division

Subject: **Parallel Validation of Year-End Financial Reporting for FY 2025-26**

For the FY 2026-27 reporting year, the State Controller's Office (SCO) will migrate the state's Reporting Book of Record – the official financial record used to prepare the state's financial statements – from SCO's legacy reporting system to the statewide FI\$Cal system. This will make FI\$Cal the state's single, authoritative system for statewide financial reporting.

Beginning in September 2026, SCO will begin performing a parallel validation by comparing FY 2025-26 ending balances in its legacy reporting system to those in FI\$Cal. This process is intended to confirm that FY 2026-27 beginning balances in FI\$Cal align with SCO records before the transition of the Reporting Book of Record.

A Major Achievement in Reporting

Transitioning the Reporting Book of Record to FI\$Cal during the FY 2026-27 reporting year will continue the modernization of the state's financial infrastructure, constituting a major achievement in the state's efforts to streamline statewide reporting processes, improve transparency, and increase understanding of financial reporting between departments and SCO. It will also enable SCO and the state to provide more timely and relevant financial feedback to stakeholders.

What to Expect Next

During parallel validation, SCO will work in close coordination with the Department of Finance (DOF) and Department of FISCAL to assist departments with identifying and resolving discrepancies. Departments will be contacted to resolve material discrepancies and instructed to make corrections in the FY 2025-26 reporting year.

Sign Up for More Information

Sign up for [State Accounting and Reporting Division \(SARD\)](#) and [FI\\$Cal emails](#) to receive timely updates, implementation guidance, and information regarding key milestones and anticipated impacts. SCO, Department of FISCAL, and DOF will provide additional details and guidance as the Reporting Book of Record transition progresses.

If you have any questions regarding this correspondence, please contact SCO's Bureau of State Government Reporting at BLFinRep@sco.ca.gov. Thank you.

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.

Submit a separate Certification Letter for each fund. Each Certification Letter must be signed electronically 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/department's year-end financial reports are accounted for.

All Certification Letters must include the following:

- Date
- Agency/Department name
- Four-digit business unit /organization code
- Agency/Department mailing address
- Names and email addresses of the agency/department 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 18, 19, and 22. These reports are listed under the heading Special Reports, below all other required reports on the Certification Letter.

Reports 19 – One report is required per agency/department. See instruction in Report 19 section.

- Submit one excel copy of Report 19 to SCO.
- Include the Statement of Capital Assets Group of Accounts, Report 19, in the General Fund set of reports. To help us locate this report, agencies/departments are required to indicate “submitted with General Fund” on every other fund's Certification Letter.
- If your agency/department does not submit reports for the General Fund, include copies of FI\$Cal Report 19 in your agency's/department's main fund set of reports, and indicate on every other fund's Certification Letter which fund this report is submitted with. Doing so will ensure that your agency/department is credited for submitting these reports.
- If there are 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 19 – No capital assets to report.

Reports 18 and 22 – One of each report is required per fund. See instruction in Report 18 section.

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 on the Certification Letter

Under the heading Supplemental Forms/Reports, list the Due To/From & Transfers In/Out Supplemental Form (Non-FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments), and the Material Variance Explanation Form (MVEF).

FI\$Cal agencies/departments do not need to submit a Due To/From Other Funds/Appropriation & Transfers In/Out Supplemental Form if the required information is included in the Subsidiaries on File Report.

If agencies/departments submit a revised Report 1 for Governmental Cost Fund/Bond Fund, a revised Report 7 and a revised Report 8 are required along with a revised Certification Letter. A revised Due To/From & Transfers In/Out Supplemental Form (Non-FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.

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

Memorandum

Example 1
Governmental
Cost Funds

Date:

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

Governmental Accounting Advisory Board (1234)

Prepared by: Agency/Department 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/department name and number if you prepare reports for an agency/department other than your own. The four-digit business unit/organization 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:

GENERAL FUND (0001)

<u>Report</u>	<u>Description</u>
1	Report of Accruals to Controller's Accounts
2	Accrual Worksheet
3	Adjustments to Controller's Accounts – no activity to report
4	Statement of Revenue
5	Final Reconciliation of Controller's Accounts with Final Budget Report/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>
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/REPORTS

- Due To/From Other Funds/ Appropriations & Transfers In/Out Supplemental Form or Subsidiaries on File Report
- Material Variance Explanation Form

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 2
Governmental
Cost Funds/Bond Funds
with Sub-Funds

Date:

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

Governmental Accounting Advisory Board (1234)

Prepared by: Agency/Department 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/department name and number if you prepare reports for an agency/department other than your own. The four-digit business unit/organization 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:

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
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
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
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>
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/REPORTS

- Due To/From Other Funds/ Appropriations & Transfers In/Out Supplemental Form or Subsidiaries on File Report
- Material Variance Explanation Form

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 Funds

Date:

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

Governmental Accounting Advisory Board (1234)

Prepared by: Agency/Department 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/department name and number if you prepare reports for an agency/department other than your own. The four-digit business unit/organization 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:

DONATED FOOD REVOLVING FUND (0687)

<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
20	Statement of Financial Condition

SPECIAL REPORTS

<u>Report</u>	<u>Description</u>
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/REPORTS

- Due To/From Other Funds/ Appropriations & Transfers In/Out Supplemental Form or Subsidiaries on File Report
- Material Variance Explanation Form

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

Date:

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

Governmental Accounting Advisory Board (1234)

Prepared by: Agency/Department 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/department name and number if you prepare reports for an agency/department other than your own. The four-digit business unit/organization 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:

SPECIAL DEPOSIT FUND CONSOLIDATED (0942)

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

SPECIAL DEPOSIT FUND (0942.001) "TITLE"

<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
20	Statement of Financial Condition

SPECIAL DEPOSIT FUND (0942.002) "TITLE"

<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
20	Statement of Financial Condition

SPECIAL DEPOSIT FUND (0942.003) "TITLE"

<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
20	Statement of Financial Condition

SPECIAL REPORTS

<u>Report</u>	<u>Description</u>
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/REPORTS

- Due To/From Other Funds/ Appropriations & Transfers In/Out Supplemental Form or Subsidiaries on File Report
- Material Variance Explanation Form

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 Funds

Date:

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

Governmental Accounting Advisory Board (1234)

Prepared by: Agency/Department 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/department name and number if you prepare reports for an agency/department other than your own. The four-digit business unit/organization code will be used to log the reports in as received.

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
7	Revision to Pre-Closing Trial Balance
8	Revision to Post-Closing Trial Balance

SPECIAL REPORTS (if any)

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

SUPPLEMENTAL FORMS/REPORTS

- Due To/From Other Funds/ Appropriations & Transfers In/Out Supplemental Form or Subsidiaries on File Report
- Material Variance Explanation Form

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 6
REVISED
Nongovernmental Cost Funds

Governmental Accounting Advisory Board (1234)

Prepared by: Agency/Department 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/department name and number if you prepare reports for an agency/department other than your own. The four-digit business unit/organization code will be used to log the reports in as received.

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

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

DONATED FOOD REVOLVING FUND (0687) – REVISED

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

SPECIAL REPORTS (if any)

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

SUPPLEMENTAL FORMS/REPORTS

- Due To/From Other Funds/ Appropriations & Transfers In/Out Supplemental Form or Subsidiaries on File Report
- Material Variance Explanation Form

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

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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 into 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 (UCM), Fund Section to determine the fund type.

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

Special Reports:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	File Format Required for Submission to SCO	Report Description
18	RPTGL075	—	7463 7977 8670.2	Excel	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	RPTGL076	—	7978	Excel	Statement of Capital Assets Group of Accounts One report per agency/department
22	—	—	7980	PDF	Statement of Contingent Liabilities One report per fund

(Continued)

Supplemental Forms:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	File Format Required for Submission to SCO	Report Description
—	RPTGL354	—	7962	PDF	Due To/From & Transfers In/Out Supplemental Form or Subsidiaries on File Report ^a One report per fund
—	—	—	—	PDF	Material Variance Explanation Form One report per fund even if there is no activity to report

(Concluded)

- a. If the agency/department accrues Due To/From Other Funds/Appropriation, General Ledger (GL) 3114.FFFF, 1410.FFFF, 1420.AAAA, 3115.AAAA, and/or Transfers In/Out on Report 1, 3, or Revisions to Reports 1 and 3, it is required to complete the Due To/From & Transfers In/Out Supplemental Form for Non-FI\$Cal agencies/departments or Subsidiaries on File Report for FI\$Cal agencies/departments. FFFF denotes fund and AAAA denotes agency/department business unit/organization code. FI\$Cal agencies do not need to submit a Due To/From Other Funds/Appropriation & Transfers In/Out Supplemental Form if the required information is included in Subsidiaries on File.

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/department 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/departments 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 in Report 1 and the Adjustments to Controller's Accounts (Report 3) are combined with the amounts from SCO cash basis accounts to produce the BLBAR.

Agencies/Departments are required to submit Report 1 electronically to SCO using the most current Excel Report 1 template available on the SCO website. Please do not use previous year's Excel Report 1 template, customize your own Report 1 template, or alter the SCO-provided template. Even if account titles do not display completely, SCO analysts can still read them, and SCO systems can still pick up the information. This will enable SCO to accept journal entries without the need for manual key entry.

Report 1 Excel format consists of the following tabs:

- **Instructions:** This tab contains brief instructions for using the Report 1 Excel template, with less detail than is found in this Procedure Manual.
- **Report 1 GLs (571 A):** Designed to report accruals to asset and liability accounts. Commonly used GL account numbers are preprinted, and blank spaces are provided for any asset or liability accounts not preprinted.
- **Report 1 Detail (571 D):** Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts. There is no need to include accounts for which there are no encumbrances or accrual amounts.
- **Footnotes:** Use this tab to provide footnote explanations for any abnormal GL and detail account accruals.

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

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

- General Instructions**
- Submit an Excel file only.
 - Prepare a separate report for each fund. **If the fund has accruals in one or more subfunds, submit one report per subfund with the actual subfund number(s).**
 - Enter all amounts in dollars and cents.
 - Leave the Amount column blank for accounts with zero balances. **Do not** enter zeros.
 - Total debits must equal total credits for accruals and for encumbrances.
 - Do not use dollar signs (\$).

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

Report 1 GLs (571 A)

- 1 June 30, 20XX /
Version m.d.yy.x:** This date is hard coded to the current year and cannot be changed by the agency/department. The version number can be compared to the version number of the template posted on the SCO reporting website to ensure you are using the most current version. Please visit the SCO reporting website to obtain the most updated workbook each year.
- 2 Check here for
Revision:** If you are preparing a revision, check this box. For a revision, only report the difference between the original, already processed Report 1 and the correct amounts and accounts. If a revision is needed, work with your SCO SGR analyst to confirm whether the original Report 1 has been processed. **NOTE: A Revised Certification Letter, Report 7, and Report 8 are required with every revision. A revised Due To/From & Transfers In/Out Supplemental Form (Non-FI\$Cal agencies/departments), or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.**
- 3 Agency Number:** Enter the agency/department number.
- 4 Agency Name:** Enter the agency/department name.
- 5 Fund Number:** Enter the fund and subfund number(s).
Note: If the fund has subfund(s), use the actual subfund number(s).
- 6 Fund Name:** Enter the fund name.

7 Name of Contact Person, Title: Enter the name and title of the person to contact with questions concerning this report.

8 Telephone Number: Enter the contact person's telephone number.

9 Email Address: Enter the contact person's email address.

10 Encumbrances Debit = Credit?: If this field is red and reads FALSE, it means Report 1 encumbrance debits do not equal credits. If you have finished filling out both tabs of Report 1, check for mistyped amounts or missing D/C signs in the Encumbrance column.

11 Amount Debit = Credit?: If this field is red and reads FALSE, it means Report 1 accrual debits do not equal credits. If you have finished filling out both tabs of Report 1, check for mistyped amounts or missing D/C signs in the Amount column.

12 Account: GL account numbers for commonly used accounts are preprinted on tab Report 1 GLs (571 A) worksheet. If the appropriate account number is not preprinted on this worksheet, enter the proper four-digit account number on this worksheet using the lowest level account numbers listed in the UCM. **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 7620, 7640, 10421, 10514, and 10517.

If the Due To/Due From is within the same fund, but different appropriations, enter the four-digit **business unit/organization code** (AAAA) of the agency/department involved in the transaction as the subsidiary number following the GL account numbers listed to identify the other agency/department involved in the inter-agency/department transaction. If the AAAA is your own agency/department, the amounts of these two accounts must agree with each other.

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

FI\$Cal agencies/departments that submit the Subsidiaries on File with Due To/From & Transfers In/Out information do not need to submit the Due To/From & Transfers In/Out Supplemental Report.

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/departments, the **unencumbered** amount of the Due From Other Funds GL 1410.FFFF or Due From Other Appropriations GL 1420.AAAA must equal the related **unencumbered** amount of the Due To Other Funds GL 3114.FFFF or Due To Other Appropriations GL 3115.AAAA from other agencies/departments. Agencies/Departments must coordinate related amounts reported to ensure the amounts are equal. Submit the Due To/From & Transfers In/Out Supplemental Form or the Subsidiaries on File to provide SCO with information identifying the business unit/organization code(s) and agency/department name(s) related to the Due To/From Other Funds/Appropriation & Transfers In/Out transactions submitted on Reports 1 and 3.

13 Amount: Post the total accruals from Report 2 to the appropriate GL accounts. Advance to Agency & Office Revolving Fund (GL 2125) and Permanent Cash Revolving Fund (GL 2710) should not be reported but reclassified to other 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 in Report 1, as the SCO records already reflect these balances.

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

14 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.

15 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, 1420.AAAA, 1510, and 1590).

If the encumbrance for accounts payable (GL 3010) is equal to the accrual amount, and the amount is greater than \$1 million, include a footnote on Report 1 Footnotes tab indicating whether this is valid, and there are no true liabilities in accounts payable. Goods and services received but not paid as of June 30 should be accrued as actual expenditures and liabilities, not encumbrances.

- 16 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.
- 17 Report 1 GLs (571 A) tab:** This worksheet is for entering asset and liability GL accounts. **Do not enter total line on this tab.**
- 18 Report 1 Detail (571 D) tab:** Click on this tab to go to 571 D worksheet, for entering amounts in disbursement, receipt, reimbursement, and transfer accounts. **Do not enter total line on this tab.**

Report 1 Detail (571 D)

- 19 June 30, 20XX / Version m.d.yy.x:** This date automatically flows through from the Report 1 GLs (571 A) tab.
- 20 Agency Number through Email Address:** All the information in this header portion automatically flows through to this tab from the Report 1 GLs (571 A) tab.
- 21 Enc Debit = Credit?:** If this field is red and reads FALSE, it means Report 1 encumbrance debits do not equal credits. If you have finished filling out both tabs of Report 1, check for mistyped amounts or missing D/C signs in the Encumbrance column.

- 22 Amount Debit = Credit?:** If this field is red and reads FALSE, it means Report 1 accrual debits do not equal credits. If you have finished filling out both tabs of Report 1, check for mistyped amounts or missing D/C signs in the Amount column.
- 23 Appropriation and Revenue Account Titles:** Enter the title of each disbursement, reimbursement, transfer, or receipt account.
- 24 FY:** Enter the four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account.
- 25 M:** This column is for SCO use only.
- 26 REF/ITEM:** Enter the reference item corresponding to each disbursement, reimbursement, and transfer account.
- 27 CAT through TASK:** Enter the appropriate category, program, element, component, and/or task corresponding to each disbursement and 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.
- 28 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
- The Transfer to Other Funds Account (T) must be reported on the Due To/From & Transfers In/Out Supplemental Form or the Subsidiaries on File Report. Include the four-digit fund number the amount was transferred to in the Subsidiary Fund column and the four-digit agency/department number the amount was transferred to in the Subsidiary Org column.
- 29 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.
- 30 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 31 SCO:** Leave this box blank.

- 32 Revenue/Object:** Enter a zero (0) followed by the six-digit code for each receipt account.
- 33 Amount:** Post the net accruals from Report 2 to the appropriate disbursement, reimbursement, transfer, or receipt account.
- 34 D/C (Debit or Credit):** Enter D when the amount in the Accrual and Encumbrance columns is a debit and C when the amount is a credit.
- 35 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 for that appropriation as shown on Report 2, except for an abatement, which requires a footnote on the Footnotes tab.
- If encumbrances are reported for a pass-through fund, include the corresponding receivable and reimbursement.
- 36 Revenue/Object Code 03FFFF0:** Any receipt account where the first digit of the six-digit revenue code is 3, followed by a four-digit fund number, indicates that it is a Transfer-In from that fund number. Amounts in such receipt accounts must be included on the Due To/ From & Transfers In/Out Supplemental Report or Subsidiaries on File Report, in GL 9811 Transfers In, with the four-digit fund number the amount was transferred from in the Subsidiary Fund column and the four-digit agency/ department number the amount was transferred from in the Subsidiary Org column.
- 37 Footnotes tab:** Click on this tab to enter any required footnotes.

REPORT NO. 1 Form 571 A

Report of Accruals to Controller's Accounts

Version m.d.yy.x 1

1 June 30, 20XX

Check here for Revision 2

Agency Number 3	Agency Name 4	Fund Number 5	Fund Name 6
1234	Governmental Accounting Advisory Board	0001	General Fund
Name of Contact Person, Title 7		Telephone Number 8	Email Address 9
Bud. G. Tary, Accounting Administrator		916-555-1234	Bud.G.Tary@gaab.ca.gov
Encumbrances Debit = Credit? 10		TRUE 16	Amount Debit = Credit? 11
			TRUE
ACCOUNT TITLE	ENCUMBRANCES 15	D C	ACCOUNT 12
			AMOUNT 13
			D C 14
GENERAL CASH			1110 638,758.45 D
REVOLVING FUND CASH			1130 189,970.16 D
CASH ON HAND			1190 100.00 D
ACCOUNTS RECEIVABLE--ABATEMENTS			1311 13,600.75 D
ACCOUNTS RECEIVABLE--REIMBURSEMENTS			1312 257,853.25 D
ACCOUNTS RECEIVABLE--REVENUE			1313 3,050.00 D
ACCOUNTS RECEIVABLE--DISHONORED CHECKS			1315
ACCOUNTS RECEIVABLE--OTHER			1319 5,174.29 D
CONTINGENT RECEIVABLE			1380
DUE FROM OTHER FUNDS			1410 0890 3,378,594.73 D
DUE FROM OTHER APPROPRIATIONS			1420 6100 220,339.50 D
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600 01312 5,000.00 C
EXPENSE ADVANCES			1710 4,248.54 D
ACCOUNTS PAYABLE	796,895.88 C		3010 1,127,583.32 C
DUE TO OTHER FUNDS			3114 0687 591.16 C
DUE TO OTHER APPROPRIATIONS	900.00 C		3115 0840 5,979.86 C
DUE TO LOCAL GOVERNMENT			3220
LIABILITY FOR LOCAL SALES TAX			3230
DUE TO OTHER GOVT ENTITIES			3290
REIMBURSEMENTS COLLECTED IN ADVANCE			3420
UNCLEARED COLLECTIONS			3730 90.00 C

REPORT NO. 1 Form 571 D
Version m.d.yy.x **19**

Report of Accruals to Controller's Accounts
June 30, 20XX **19**

Check here for Revision

Agency Number	Agency Name	Fund Number	Fund Name
1234	Governmental Accounting Advisory Board	0001	General Fund
Name of Contact Person, Title		Telephone Number	Email Address
Bud. G. Tary, Accounting Administrator		916-555-1234	Bud.G.Tary@gaab.ca.gov
Enc Debit = Credit?	TRUE 21	Amount Debit = Credit?	TRUE 22

23	24	25	26	27	28	29	30	31	32	33	34				
APPROPRIATION AND REVENUE ACCOUNT TITLES	INCUMBRANCES	D	TY	H	REV ITEM	CAT	PGN	ELL	COMP	TASK	T	CONTR FUND	REVENUE/ OBJECT	AMOUNT	P
ESCHEAT-CHECKS.WARRANTS			20PY								R		0161000		
MISCELLANEOUS REVENUE			20PY								R		0161400	2,000.00	C
CORONAVIRUS FISCAL RECOVERY			20PY								R		0385060	148,863.02	C
REFUNDS TO REVERTED APPROPNS			20PY								R		0500000		
6770-STATE BUD	1,814.62	D	20PY		001		10				D			6,408.18	D
6780-STATE AUD	132.72	D	20PY		001		20				D			644.93	C
9900100-ADMINIS	478.70	D	20PY		001		40	01			D			501.78	D
9900200-ADMINIS	478.70	C	20PY		001		40	02			D			501.78	C
CLEARING ACCOUNT			20PY		001		99				D			8,337.46	C
REIMBURSEMENTS TO 6770-STATE B			20PY		001	90	10				F	0001000		257,052.00	C
REIMBURSEMENTS TO 6780-STATE A			20PY		001	90	20				F	0001000			
ESCHEAT-CHECKS.WARRANTS			20CY								R		0161000		
MISCELLANEOUS REVENUE			20CY								R		0161400	1,050.00	C
CORONAVIRUS FISCAL RECOVERY			20CY								R		0385060		
6770-STATE BUD	532,223.02	D	20CY		001		10				D			3,550,018.46	D
6780-STATE AUD	264,335.52	D	20CY		001		20				D			1,746,803.84	D
9900100-ADMINIS	153,203.35	D	20CY		001		40	01			D			1,532,388.52	D
9900200-ADMINIS	153,203.35	C	20CY		001		40	02			D			1,532,388.52	C
CLEARING ACCOUNT			20CY		001		99				D			7,550,489.56	C
REIMBURSEMENTS TO 6770-STATE B			20CY		001	90	10				F	0001000		558,753.78	C
REIMBURSEMENTS TO 6780-STATE A			20CY		001	90	20				F	0001000		963,708.15	C
REVOLVING FUND ADVANCE			20CY		001	97					D			200,000.00	C

37

> Instructions | Report 1 GLs (571 A) | **Report 1 Detail (571 D)** | Footnotes | +

Note: PY stands for prior year and CY stands for current year.

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 obligations of all or part of an appropriation. Outstanding encumbrances are the recognition of commitments related to unfulfilled purchase orders or outstanding contracts which will subsequently be recognized as expenditures when goods and services are received.

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.

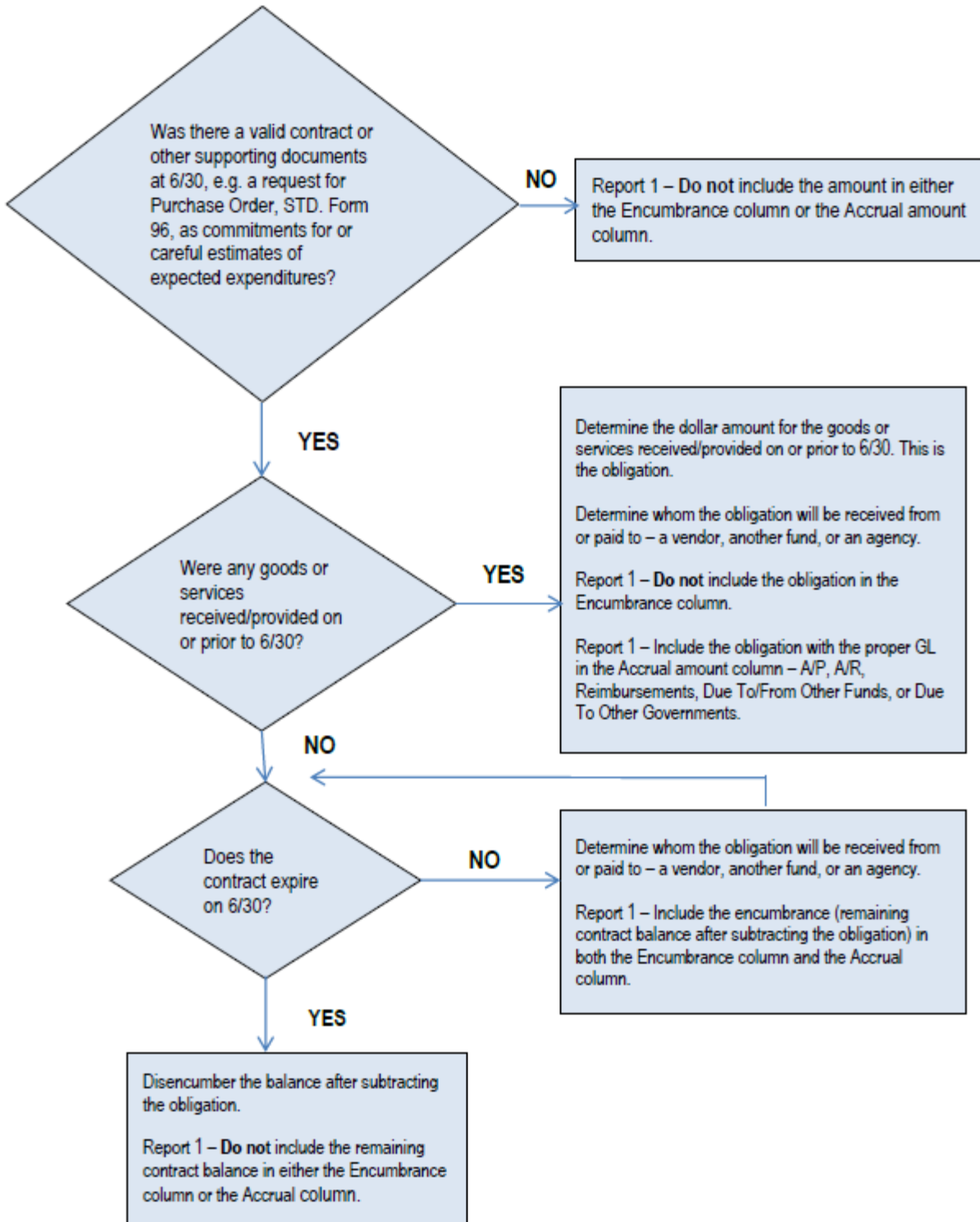
- If a contract expires on June 30 of the reporting year, accrue as a liability only those goods or services that have been received on or prior to June 30. Determine to whom the obligation will be paid and, if necessary, reclassify the obligation to the true liability GL account. **Do not** record obligations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

Record the encumbrances in the applicable liability GL account which identify to whom the amount is due.

- 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 Determination Decision Tree



Encumbrance Examples

Example 1:

<u>Contract with Vendor</u>	\$ 125,000	
Cash Expenditures @ 6/30	<u>25,000</u>	
	100,000	(A) Accrual Amount
6/29 Invoice for June Service	<u>40,000</u>	(E) Obligation
	<u><u>\$ 60,000</u></u>	(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	<u>20,000</u>	(C) Obligation
	<u><u>\$ 30,000</u></u>	(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
		<u>5,000</u>	(K)	Encumbrance
	\$	<u>5,000</u>		

Report 1 Entries:

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

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		9,000		
		<u>31,000</u>	(A)	Accrual Amount
6/28 Invoice for June Service		7,000	(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

(B)	60,000	100,000	(G)
(B)	24,000	31,000	(G)
		\$ 47,000	(E)

(A)	100,000	60,000	(B)
(A)	50,000	30,000	(I)
(A)	10,000	5,000	(K)
(A)	31,000	24,000	(B)
(F)	\$ 72,000		

(I)	30,000	50,000	(H)
		\$ 20,000	(C)

(K)	5,000	10,000	(J)
		\$ 5,000	(D)

Note: 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
Version m.d.yy.x

Report of Accruals to Controller's Accounts
June 30, 20XX

Check here for Revision

Agency Number 1234	Agency Name Governmental Accounting Advisory Board	Fund Number FFFF	Fund Name Fund Name
Name of Contact Person, Title Bud. G. Tary, Accounting Administrator		Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov
Encumbrances Debit = Credit? TRUE		Amount Debit = Credit? TRUE	

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C	Errors
GENERAL CASH			1110			
REVOLVING FUND CASH			1130			
CASH ON HAND			1190			
ACCOUNTS RECEIVABLE--ABATEMENTS			1311			
ACCOUNTS RECEIVABLE--REIMBURSEMENTS			1312			
ACCOUNTS RECEIVABLE--REVENUE			1313			
ACCOUNTS RECEIVABLE--DISHONORED CHECKS			1315			
ACCOUNTS RECEIVABLE--OTHER			1319			
CONTINGENT RECEIVABLE			1380			
DUE FROM OTHER FUNDS			1410	0042		
DUE FROM OTHER APPROPRIATIONS			1420	1234		
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600	01319		
EXPENSE ADVANCES			1710			
ACCOUNTS PAYABLE	Sum of (B)s		3010	Sum of (G)s		
	84,000.00	C		131,000.00	C	
DUE TO OTHER FUNDS	(K) 5,000.00	C	3114	0002	(J) 10,000.00	C
DUE TO OTHER APPROPRIATIONS			3115			
DUE TO LOCAL GOVERNMENT	(I) 30,000.00	C	3220		(H) 50,000.00	C
LIABILITY FOR LOCAL SALES TAX			3230			
DUE TO OTHER GOVT ENTITIES	Accruals less encumbrances = total expenditures (191,000 - 119,000 = 72,000). The encumbrance total (119,000) is reclassified as <i>Reserve for Encumbrances</i> and shown as part of fund balance on the financial statements.					
REIMBURSEMENTS COLLECTED IN A						
UNCLEARED COLLECTIONS						
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND (DEB			1730	0602		
RESERVE FOR ARCHITECTURE REVOLVING FUND			5330	0602		

Sum of accruals (amounts in Amount column) should equal sum of (A)s: 100,000 + 50,000 + 10,000 + 31,000 = 191,000

Sum of (B)s 84,000.00 C 3010 Sum of (G)s 131,000.00 C

(K) 5,000.00 C 3114 0002 (J) 10,000.00 C

(I) 30,000.00 C 3220 (H) 50,000.00 C

< >
Instructions
Report 1 GLs (571 A)
Report 1 Detail (571 D)
Footnotes
+

Accrual Worksheet (Report 2)

The Accrual Worksheet (Report 2) provides agencies/departments with a uniform and systematic method of compiling year-end accruals. Accruals consist of the assets, liabilities, deferred credits, and the corresponding receipts and disbursements reflected in the agency's/department'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.

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.

IMPORTANT NOTICE: Prior to converting **Report 2** in PDF, please ensure that columns headers are repeated on top of any **Report 2** file having more than one page; so that account codes and titles appear on every page.

For more information regarding the use of program codes, go to the UCM on DOF's website:

[Uniform Codes Manual | Department of Finance \(ca.gov\)](#)

[Policies and Procedures | Department of Finance \(ca.gov\)](#)

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

REPORT 2 - ACCRUAL WORKSHEET
 Governmental Accounting Advisory Board - 1234
 Fund 0001
 Fiscal Year 20XX-XX
 As of 06/30/XX

	General Cash - CTS Accounts 1110	Revolving Fund Cash 1130	Cash on Hand 1190	AR - Abatements 1311	AR - Reimburse 1312	AR - Revenue 1313	AR-Other 1319	Due From Other Funds 1410	Due From Other Appns - Same Fund 1420	Expense Advance 1710	Prepay to Other Funds/Appns 1730	Accounts Payable 3010	Due To Other Funds 3114	Due To Other Appns 3115	Deferred Credits 1400/34XX 3730/5330	NET TOTAL ACCRUALS PER AGENCY	
ITEM 1234-001-0001, CHAPTER XX/XX (REVERTED YEAR)																	
Program 10 - Annual Financial Plan																0.00	
Program 20 - Program and Inf. System																0.00	
Program 40-01 - Administration																0.00	
Program 40-02 - Distributed Admin.																0.00	
Program 99 - Clearing Account																0.00	
Category 90 10 - Scheduled Reimbursements																0.00	
Category 90 20 - Scheduled Reimbursements																0.00	
ACCT TYPE R (PRIOR YEAR)																	
161000 - Escheat-Checks, Warrants																0.00	
161400 - Miscellaneous Revenue						2,000.00										2,000.00	
385060 - Transfers From Fund 8506								148,863.02								148,863.02	
500000 - Refunds to Reverted Appns																	
ITEM 1234-001-0001, CHAPTER XX/XX (PRIOR YEAR)																	
Program 10 - Annual Financial Plan												(1,814.42)		(4,993.56)		(6,408.18)	
Program 20 - Program and Inf. System									777.65			(132.72)				644.93	
Program 40-01 - Administration												(478.70)		(23.08)		(501.78)	
Program 40-02 - Distributed Admin.												478.70				501.78	
Program 99 - Clearing Account	583.80			3,831.45				697.46	4,622.63				(591.16)	(806.72)		8,337.44	
Category 90 10 - Scheduled Reimbursements					230,802.00				26,250.00							257,052.00	
Category 90 20 - Scheduled Reimbursements																0.00	
ACCT TYPE R (CURRENT YEAR)																	
161000 - Escheat-Checks, Warrants																0.00	
161400 - Miscellaneous Revenue						1,050.00										1,050.00	
385060 - Transfers From Fund 8506																0.00	
ITEM 1234-001-0001, CHAPTER XX/XX (CURRENT YEAR)																	
Program 10 - Annual Financial Plan												(532,913.20)	(710.00)	(3,016,395.26)		(3,550,018.46)	
Program 20 - Program and Inf. System												(281,762.41)	(1,466.25)	(1,463,575.18)		(1,746,803.84)	
Program 40-01 - Administration												(153,203.35)		(1,379,185.17)		(1,532,388.52)	
Program 40-02 - Distributed Admin.									1,379,185.17			153,203.35				1,532,388.52	
Program 99 - Clearing Account	74.12			9,769.30				3,404,467.94	5,856,305.61			(318,641.67)	(21,170.71)	(1,382,315.03)		7,550,489.56	
Category 90 10 - Scheduled Reimbursements	541,611.78								17,142.00							558,753.78	
Category 90 20 - Scheduled Reimbursements	96,398.75				22,051.25			668,310.65	176,947.50							963,708.15	
Category 96 - Advance to State Compensation Insurance Fund													1,617.99			1,617.99	
Category 97 - Office Revolving Fund Advance		200,000.00														200,000.00	
Category 98 - Advance to Service Revolving Fund - Other Service													49,000.00			49,000.00	
MISC. ACCOUNTS																	
Provisions for Deferred Receivables (DR 1312, 1319 / CR 1600)					5,000.00		5,174.29									(10,174.29)	0.00
Uncleared Collections (DR 1110 / CR 3730)	90.00															(90.00)	0.00
Prepayments to Architecture Revolving Fund (DR 1730 / CR 5330)											450,000.00					(450,000.00)	0.00
SUBTOTAL	638,758.45	200,000.00	0.00	13,600.75	257,853.25	3,050.00	5,174.29	4,222,339.07	7,461,253.64	0.00	500,617.99	(1,133,264.62)	(23,938.12)	(7,246,894.00)	(460,264.29)	4,438,286.41	
Revolving Fund Adjustment		(10,029.84)	100.00							4,248.54		5,681.30				0.00	
TOTAL	638,758.45	189,970.16	100.00	13,600.75	257,853.25	3,050.00	5,174.29	4,222,339.07	7,461,253.64	4,248.54	500,617.99	(1,127,583.32)	(23,938.12)	(7,246,894.00)	(460,264.29)	4,438,286.41	

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. Beginning July 1, 2026, agencies/departments are required to submit the Report 3 adjusting entries in FI\$Cal for their adjustments to correct the SCO cash basis records on agency/departments accounts.

All adjusting entries must be accompanied by an attachment (e.g., Notice of Transfer of Funds, budget revision, etc.) explaining the reason for the adjustment. These entries must be submitted in FI\$Cal and approved by the SCO ATU 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 on the Footnotes Tab.

Agencies/Departments are required to submit Report 3 electronically to SCO using the most current Excel Report 3 template available on the SCO website. Please do not use previous year's Report 3 template, customize your own Report 3 template, or alter the SCO-provided template. Even if account titles do not display completely, SCO analysts can still read them, and SCO systems can still pick up the information. This will enable SCO to accept journal entries without the need for manual key entry.

Report 3 Excel format consists of the following tabs:

- **Instructions:** This tab contains brief instructions for using the Report 3 Excel template, with less detail than is found in this Procedure Manual.
- **Report 3 GLs (576 A):** Designed to report adjustments to asset and liability accounts.
- **Report 3 Detail (576 B):** Designed to report adjustments to disbursement, reimbursement, transfer, and receipt accounts.
- **Footnotes:** Use this tab to provide footnote explanations for any corrections and number the supporting documentation.

As Report 3 is used as a system input document by SCO, it is important for the agency/departments 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 Excel file only.
 - Prepare a separate report for each fund. **If the fund has adjustments in one or more subfunds, submit one report per subfund with the actual subfund number(s).**
 - Enter all amounts in dollars and cents.
 - Leave the Amount column blank for accounts with zero balances. **Do not** enter zeros.
 - Total debits must equal total credits.
 - Do not use dollar signs (\$).

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

Report 3 GLs (576 A)

- 1 June 30, 20XX / Version m.d.yy.x:** This date is hard coded to the current year and cannot be changed by the agency/department. The version number can be compared to the version number of the template posted on the SCO reporting website to ensure you are using the most current version. Please visit the SCO reporting website to obtain the most updated workbook each year.
- 2 Check here for Revision:** If you are preparing a revision, check this box. For a revision, only report the difference between the original, already processed Report 3 and the correct amounts and accounts. If a revision is needed, work with your SCO SGR analyst to confirm whether the original Report 3 has been processed. **NOTE: A revised Certification Letter, Report 7, and Report 8 are required with every revision. A revised Due To/From & Transfers In/Out Supplemental Form (Non-FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.**
- 3 Agency Number:** Enter the agency/department number.
- 4 Agency Name:** Enter the agency/department name.
- 5 Fund Number:** Enter the fund and subfund number(s).
Note: If the fund has subfund(s), use the actual subfund number(s).
- 6 Fund Name:** Enter the fund name.

7 Name of Contact Person, Title: Enter the name and title of the person to contact with questions concerning this report.

8 Telephone Number: Enter the contact person's telephone number.

9 Email Address: Enter the contact person's email address.

10 Amount Debit = Credit?: If this field is red and reads FALSE, it means Report 3 entry debits do not equal credits. If you have finished filling out both tabs of Report 3, check for mistyped amounts or missing D/C signs in the amount column.

11 Account: Enter the proper four-digit account number using the lowest level account numbers listed in the UCM. **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 7620, 7640, 10421, 10514, and 10517.

If the Due To/Due From is within the same fund, but different appropriations, enter the four-digit **business unit/organization code** (AAAA) of the other agency/department involved in the transaction as the subsidiary number following the GL account number listed to identify the other agency/department involved in the inter-agency/department transaction. If the AAAA is your own agency/department, the amounts of these two accounts must agree with each other.

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

FI\$Cal agencies/departments that submit the Subsidiaries on File with Due To/From & Transfers In/Out information do not need to submit the Due To/From & Transfers In/Out Supplemental Form.

12 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.

- 13 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.
- 14 Report 3 GLs (576 A) tab:** This worksheet is for entering asset and liability GL accounts. **Do not enter total line on this tab.**
- 15 Report 3 Detail (576 B) tab:** Click on this tab to go to 576 B worksheet, for entering amounts in disbursement, receipt, reimbursement, and transfer accounts. **Do not enter total line on this tab.**
- Report 3 Detail (576 B)**
- 16 June 30, 20XX / Version m.d.yy.x:** This date automatically flows through from the Report 3 GLs (576 A) tab.
- 17 Agency Number through Email Address:** All the information in this header portion automatically flows through to this tab from the Report 3 GLs (576 A) tab.
- 18 Amount Debit = Credit?:** If this field is red and reads FALSE, it means Report 3 entry debits do not equal credits. If you have finished filling out both tabs of Report 3, check for mistyped amounts or missing D/C signs in the Amount column.
- 19 Appropriation and Revenue Account Titles:** Enter the title of each disbursement, reimbursement, transfer, or receipt account.
- REMINDER:** List the four-digit business unit/organization code on the Due To/From & Transfers In/Out 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 there is an adjustment between accounts within the same fund and agency/department, only the appropriate disbursement, reimbursement, transfer, or receipt accounts should be adjusted.
- 20 FY:** Enter the four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account.
- 21 M:** This column is for SCO use only.
- 22 REF/ITEM:** Enter the reference item corresponding to each disbursement, reimbursement, and transfer account.

- 23 CAT through TASK:** Enter the appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account.
- 24 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
- 25 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.
- 26 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 27 SCO:** Leave this box blank.
- 28 Revenue/Object:** Enter a zero (0) followed by the six-digit code for each receipt account.
- 29 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.
- 30 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.
- 31 Footnotes:** Use the Footnotes tab to number the supporting documentation. Supporting documents are required for each adjusting entry (e.g., a copy of Notice of Transfer of Funds, budget revision, etc.)

REPORT NO. 3 Form 576 A
 Version m.d.yy.x **1**

Adjustments to Controller's Accounts
 June 30, 20XX **1**

Check here for Revision **2**

Agency Number 1234 3	Agency Name Governmental Accounting Advisory Board 4	Fund Number FFFF 5	Fund Name Fund Name 6
Name of Contact Person, Title Bud. G. Tary, Accounting Administrator 7		Telephone Number 916-555-1234 8	Email Address Bud.G.Tary@gaab.ca.gov 9
		Amount Debit = Credit? 10 TRUE	
ACCOUNT TITLE		D	C
		ACCOUNT 11	AMOUNT 12
		D	C 13
GENERAL CASH		1110	
REVOLVING FUND CASH		1130	
CASH ON HAND		1190	
ACCOUNTS RECEIVABLE-ABATEMENTS		1311	
ACCOUNTS RECEIVABLE-REIMBURSEMENTS		1312	
ACCOUNTS RECEIVABLE-REVENUE		1313	
ACCOUNTS RECEIVABLE-DISHONORED CHECKS		1315	
ACCOUNTS RECEIVABLE-OTHER		1319	
CONTINGENT RECEIVABLE		1380	
DUE FROM OTHER FUNDS		1410	
DUE FROM OTHER APPROPRIATIONS		1420	4720
			949.84 D
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)		1600	
EXPENSE ADVANCES		1710	
ACCOUNTS PAYABLE		3010	
DUE TO OTHER FUNDS		3114	
DUE TO OTHER APPROPRIATIONS		3115	
DUE TO LOCAL GOVERNMENT	14	3220	
LIABILITY FOR LOCAL SALES TAX	15		

[> Instructions](#) |
 [Report 3 GLs \(576 A\)](#) |
 [Report 3 Detail \(576 B\)](#) |
 [Footnotes](#) |
 [+](#)

Footnotes:

*See attachment #1 (Each entry must be referenced by a number and have supporting documentation).

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

Report ID: RPTGL452
Business Unit: 1234

FISCAL
DEPARTMENT NAME
Notice of Transfer of Funds

Page No - 1 of 1
Run Time: HH:MM:SS PM
Run Date: MM/DD/YYYY

Journal Post Date Start: MM/DD/YYYY
Chartfield Options: COA
Journal ID: CB12345678

Journal Post Date End: MM/DD/YYYY
Initiated by BU Option: All
Transaction Type: All

Transaction Type	Business Unit	Description	Journal ID	Initiated by BU	Journal Date	Posted Date	Fund	ENY	Approp Ref
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002
Transfer within a Fund	1234	Cash Basis Ledger Enhancement	CB12345678	Y	MM/DD/YYYY	MM/DD/YYYY	0001	2024	002

continued:

Parent Project	Program	Fund Affiliate	BU Affiliate	Account	Debits	Credits	Transaction Source	Transaction Reference
	4650	6789	1234	4800000	0.00	(1,270,365.79)	Journals	0015624870
	4665	6789	1234	4800000	0.00	(127,309.27)	Journals	0015624870
	4605010	6789	1234	4800000	1,270,365.79	0.00	Journals	0015624870
	4605047	6789	1234	4800000	127,309.27	0.00	Journals	0015624870
	4650	6789	1234	4800000	0.00	(562,081.03)	Journals	0015624870
	4650	6789	1234	4800000	0.00	(371,372.62)	Journals	0015624870
	4650	6789	1234	4800000	0.00	(147,075.11)	Journals	0015624870
	4650	6789	1234	4800000	0.00	(128,292.00)	Journals	0015624870
	4650	6789	1234	4800000	0.00	(59,715.57)	Journals	0015624870
	4650	6789	1234	4800000	0.00	(1,829.46)	Journals	0015624870
	4665	6789	1234	4800000	0.00	(57,080.25)	Journals	0015624870
	4665	6789	1234	4800000	0.00	(28,350.36)	Journals	0015624870
	4665	6789	1234	4800000	0.00	(26,593.01)	Journals	0015624870
	4665	6789	1234	4800000	0.00	(12,225.82)	Journals	0015624870
	4665	6789	1234	4800000	0.00	(3,059.83)	Journals	0015624870

Statement of Revenue (Report 4)

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

Refer to SAM section 7956 for an illustration of Report 4. An example can 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.
 - FI\$Cal Report 4 shows Source 1XXXXX for Bond Funds. It is recommended that FI\$Cal agencies/departments cross out the incorrect Source 1XXXXX, write the correct Source 2XXXXX, and then add a footnote explaining the reason of the change is due to the FI\$Cal Chart of Account crosswalk.
- A reconciliation of the total revenue per the agency's/department's records with the total revenue per the SCO records as of June 30. Revenue accruals reported on the Report of Accruals to Controller's Accounts (Report 1) and/or adjustments reported on the Adjustments to Controller's Accounts (Report 3) will be the reconciling factors.

The revenues per the agency's/department'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
 Governmental Accounting Advisory Board – 1234
 Fund 0001
 Fiscal Year 20XX-XX
 As of 06/30/20XX**

Business Unit :	1234 – Governmental Acctg Advisory Board	Report ID	RPTGL065
Fund :	0001 – General Fund	Run Date	8/15/20XX
Subfund :		Run Time :	16:39:02
Enactment Year :	20CY	Adjustment Period	998

<u>Account</u>	<u>Description</u>	<u>Balance</u>	<u>Total</u>
161000	Escheat-Uncla Ck/Warr/Bond/Cou	1,030.60	
161400	Miscellaneous Revenue	3,339.96	
*Total Revenue	0001		4,370.56

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

TOTAL REVENUE PER STATE CONTROLLER'S OFFICE ACCOUNTS		<u>3,320.56</u>
RECONCILING FACTORS:		
ACCRUALS PER REPORT OF ACCRUALS	<u>1,050.00</u>	
ADJUSTMENT TO CONTROLLER'S ACCOUNTS	<u> </u>	<u>1,050.00</u>
 TOTAL REVENUE PER STATEMENT OF REVENUE		 4,370.56

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/departments with a method of reconciling the agencies'/departments' 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/department records. Use a footnote to explain any differences between the agency/department and SCO records. The expenditures per the agency/department 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/Departments 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/department 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/department does not agree with the preprinted amount, provide a footnote to indicate the amount per the agency/department 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/department does not agree with the preprinted amount, provide a footnote to indicate the amount per the agency/department 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/department does not agree with the preprinted amount, provide a footnote to indicate the amount per the agency/department 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 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 that were issued by DOF but not recorded by SCO as of June 30.**
 - **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 Bureau of Accounting and Consulting 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.

PAGE NO: 1 of 3
FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573 (04/1997)

REPORT NO : 5
 6/30/20XX

MAILCODE: 1234
 AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
 FUND: 0001000 GENERAL FUND
 FY: 20RY ITEM: 001 (1)

		CHAPTER NO.	ITEM NO. 1234-001-0001	EXPENDITURES	APPROPRIATION BALANCE
		* SCO USE ONLY *			
** JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	(2)			40,140.06	
** REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	(3)				
** REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	(4)			-44,720.38	
** REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	(5)				

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				
20	6780-STATE AUDITS AND EVALUATIONS				
40 01	9900100-ADMINISTRATION				
40 02	9900200-ADMINISTRATION - DISTRIBUTED				
99	CALSTARS CLEARING ACCOUNT				
90 10	REIMBURSEMENTS TO 6770-STATE BUDGET				
90 20	REIMBURSEMENTS TO 6780-STATE AUDITS AND EVALUATIONS				
97	REVOLVING FUND ADVANCE				(9)
	PENDING BUDGET REVISION / ALLOCATION ORDERS / EXECUTIVE ORDERS	(8)			
TOTAL (10)				-4,580.32	0.00 *

*Appropriation reverted as of June 30, 20XX

PAGE NO: 2 of 3
FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573 (04/1997)

REPORT NO : 5
 6/30/20XX

MAILCODE: 1234
 AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
 FUND: 0001000 GENERAL FUND
 FY: 20PY ITEM: 001 (1)

CHAPTER NO.		ITEM NO. 1234-001-0001	
***** SCO USE ONLY *****			
		EXPENDITURES	APPROPRIATION BALANCE
** JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	(2)	-3,080,244.77	-6,560,944.64
** REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	(3)		
** REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	(4)	3,306,703.76	
** REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	(5)		

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	6,408.18	6,408.18
20	6780-STATE AUDITS AND EVALUATIONS	-644.93	-644.93
40 01	9900100-ADMINISTRATION	501.78	501.78
40 02	9900200-ADMINISTRATION - DISTRIBUTED	-501.78	-501.78
99	CALSTARS CLEARING ACCOUNT	-8,337.46	-8,337.46
90 10	REIMBURSEMENTS TO 6770-STATE BUDGET	-257,052.00	-257,052.00
90 20	REIMBURSEMENTS TO 6780-STATE AUDITS AND EVALUATIONS		
96	STATE COMPENSTAION INSURANCE FUND DEPOSIT		
97	REVOLVING FUND ADVANCE		
98	ADVANCE TO SERVICE REVOLVING FUND-OTHER SERVICES		
PENDING BUDGET REVISION / ALLOCATION ORDERS / EXECUTIVE ORDERS			
	(8)		
TOTAL		-33,167.22	-6,820,570.85
	(10)		

} (9)

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

PAGE NO: 3 of 3
FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
 WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573 (04/1997)

REPORT NO : 5
 6/30/20XX

MAILCODE: 1234
 AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
 FUND: 0001000 GENERAL FUND
 FY: 20CY ITEM: 001

	CHAPTER NO.	ITEM NO. 1234-001-0001	
	1		
	----- SCO USE ONLY -----		
		EXPENDITURES	APPROPRIATION BALANCE
** JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	2	47,908,440.88	-6,748,941.13
** REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	3		
** REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	4		
** REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	5		

APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	6		
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	7		
SCO ACCOUNT CODE			
- - - - -			
10 6770-STATE BUDGET		3,550,018.46	3,550,018.46
20 6780-STATE AUDITS AND EVALUATIONS		1,746,803.84	1,746,803.84
40 01 9900100-ADMINISTRATION		1,532,388.52	1,532,388.52
40 02 9900200-ADMINISTRATION - DISTRIBUTED		-1,532,388.52	-1,532,388.52
99 CALSTARS CLEARING ACCOUNT		-7,550,489.56	-7,550,489.56
90 10 REIMBURSEMENTS TO 6770-STATE BUDGET		-558,753.78	-558,753.78
90 20 REIMBURSEMENTS TO 6780-STATE AUDITS AND EVALUATIONS		-963,708.15	-963,708.15
96 STATE COMPENSTAIION INSURANCE FUND DEPOSIT			-1,617.99
97 REVOLVING FUND ADVANCE			-200,000.00
98 ADVANCE TO SERVICE REVOLVING FUND-OTHER SERVICES			-49,000.00
			} 9

PENDING BUDGET REVISION / ALLOCATION ORDERS / EXECUTIVE ORDERS	8		
		44,132,311.69	-10,775,688.31
	10		

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

The Pre-Closing Trial Balance (Report 7) provides the agencies'/departments' 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 agencies'/departments' 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, 8.

As of FY 2022-23, the Report 7 Subsidiaries on File has been renamed to Subsidiaries on File in FI\$Cal. Please see SAM section 7962.

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

Report 7 – Statewide and Pro Rata assessments should be reported by the administering agency/department or fund administrator.

Agencies/Departments are no longer required to post SB84 Supplemental Pension Loan balances (GL2170/4050 Interfund Loans Receivable/Interfund Loans Payable and GL 5370/2500 Reserve for Interfund Loans Receivables/Provision for Interfund Loans Payables) on Report 7. However, agencies/ departments are still required to report SB84 assessments (GL 9998/9000) and other types of loan balances on Report 7.

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.

The administering agency/department or fund administrator is responsible for recording and reporting statewide and Pro Rata assessments on Report 7, although the assessments are charged under statewide BUs. These assessments are the shared costs associated with statewide projects.

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

For the administering agency/department or fund administrator, the statewide and Pro Rata assessments will no longer be reported in the Appropriation Expenditures GL 9000 column on Report 15. They will be reported in its own separate column and row.

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.

Note: If agencies/departments submit a revised Report 1 for Governmental Cost Fund/Bond Fund, a revised Report 7 and a revised Report 8 are required along with a revised Certification Letter. A revised Due To/From & Transfers In/Out Supplemental Form (Non-FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.

REPORT 7 - PRE-CLOSING TRIAL BALANCE
Governmental Accounting Advisory Board - 1234
Fund 0001
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board	Report ID:	RPTGL068
Fund: 0001 - General Fund	Run Date:	8/15/20XX
Subfund:	Run Time:	13:19:36
	Adjustment	998
	Ledger:	BUDLEGAL

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1110	General Cash - CTS Accounts	638,758.45	
1130	Revolving Fund Cash	189,970.16	
1140	Cash in State Treasury	5,733,017,795.10	
1190	Cash on Hand	100.00	
1311	AR - Abatements	13,600.75	
1312	AR - Reimbursements	257,853.25	
1313	AR - Revenue	3,050.00	
1319	AR - Other	5,174.29	
* 1410	Due From Other Funds	4,222,339.07	
* 1420	Due From Approps - Same	7,461,253.64	
* 1600	Provision For Deferred AR		10,174.29
1710	Expense Advances	4,248.54	
* 1730	Prepay to Other Funds/Approps	500,617.99	
3010	Accounts Payable		1,127,583.32
* 3114	Due to Other Funds		23,938.12
* 3115	Due to Other Appropriations		7,246,894.00
3730	Uncleared Collections		90.00
5330	Reserve-Prepaid Items		450,000.00
5570	Fund Balance - Clearing		3,564,208.15
8000	Revenue		5,000.17
8100	Reimbursements		8,129,163.28
9000	Appropriated Expenses	52,223,727.43	
9811	Transfers From Other Funds		5,777,979,057.82
9891	Refunds to Reverted Appropriat		2,379.52
Fund	0001	5,798,538,488.67	5,798,538,488.67

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

REPORT 8 - POST-CLOSING TRIAL BALANCE
Governmental Accounting Advisory Board - 1234
Fund 0001
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board	Report ID:	RPTGL069
Fund: 0001 - General Fund	Run Date:	8/15/20XX
Subfund:	Run Time:	13:19:36
	Adjustment Period:	998
	Ledger:	BUDLEGAL

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1110	General Cash - CTS Accounts	638,758.45	
1130	Revolving Fund Cash	189,970.16	
1190	Cash on Hand	100.00	
1311	AR - Abatements	13,600.75	
1312	AR - Reimbursements	257,853.25	
1313	AR - Revenue	3,050.00	
1319	AR - Other	5,174.29	
* 1410	Due From Other Funds	4,222,339.07	
* 1420	Due From Approps - Same Fund	7,461,253.64	
* 1600	Provision For Deferred AR		10,174.29
1710	Expense Advances	4,248.54	
* 1730	Prepay to Other Funds/Approps	500,617.99	
3010	Accounts Payable		1,127,583.32
* 3114	Due to Other Funds		23,938.12
* 3115	Due to Other Appropriations		7,246,894.00
3730	Uncleared Collections		90.00
5330	Reserve-Prepaid Items		450,000.00
5570	Fund Balance - Clearing		4,438,286.41
Fund	0001	13,296,966.14	13,296,966.14

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

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/ departments with a method of ensuring the accuracy and completeness of their revenue and expenditure accounts. The detailed revenue, expenditure, reimbursements, transfer in, and transfer out accounts are summarized to the appropriate GL accounts and are reconciled with transactions per the State Controller. Refer to 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.
 - **If this report is more than one page, repeat the column headers on each additional page.**

Specific Instructions The instructions below are followed by an illustration of a complete 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 Per State Controller's Office (SCO) 06/30/20XX (column A):** Enter the balances per SCO records as of June 30.
- 3 Reverse Prior Year Adjustments to SCO Accounts (column B):** Enter the reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report 3), Form 576 B.
- 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), Form 571 D.

- 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 SCO Accounts (column E):** Enter the current year adjustments as reported on Report 3, Form 576 B.
- 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, Form 571 D.
- 8 **Total (column G):** Enter the total of columns A through F.
- REMINDER:** All Clearing Account balances in column G must be zero.
- 9 **Revenue (column H):** 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.
- 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 **Appropriation Expenditures (column J):** 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).
- 12 **Transfers From Other Fund (column K):** 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.
- 13 **Transfers To Other Fund (column L):** 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.
- 14 **Refunds to Reverted Appropriations (column M):** 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.
- 15 **Prior Year Revenue Adjustments (column N):** 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.
- 16 **Prior Year Appropriation Adjustments (column O):** 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.

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

Enter the total amounts for statewide and Pro Rata assessments against the fund. The SCO journal entry for these assessments will display the business unit/organization code of the agency/department assessing the charges (e.g., 9900 for Pro Rata). The statewide and Pro Rata assessments will no longer be reported in the Appropriation Expenditures GL 9000 column on Report 15.

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

REPORT 15 - RECONCILIATION OF AGENCY ACCOUNTS WITH TRANSACTIONS PER STATE CONTROLLER
 GOVERNMENTAL ACCOUNTING ADVISORY BOARD - 1234
 FUND 0001
 FISCAL YEAR 20XX-XX
 AS OF 06/30/20XX

Account	Per State Controller's Office (SCO) 06/30/20XX	Reverse Prior Year			Apply Current Year		TOTAL	Transactions Per Agency Accounts								
		Adjustments to SCO Accounts	Accruals	Corrections Made by SCO	Adjustments to SCO Accounts	Accruals		Revenue (8000)	Reimbursements (8100)	Approp. Expenditures (9000)	Transfers From Other Fund (9811)	Transfers To Other Fund (9812)	Refunds to Reverted Appns (9891)	PT Revenue Adj (9892)	PT Approp Adj (9893)	Statewide Assessments and Pro Rata
(1)	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
ISM 1234-001-0001, CHAPTER XX/XX (REVERTED YEAR)																
Program 10 - Annual Financial Plan	21,257.69		(22,194.81)			0.00	(937.12)				(937.12)					
Program 20 - Program and Inf. System	7,275.80		(10,919.00)			0.00	(3,643.20)			(3,643.20)						
Program 4001 - Administration	3,553.30		(5,436.44)			0.00	(1,883.14)			(1,883.14)						
Program 4002 - Distributed Admin.	(3,553.30)		5,436.44			0.00	1,883.14			1,883.14						
Program 99 - Clearing Account	11,466.55		(11,466.55)			0.00	0.00			0.00						
Category 90 10 - Scheduled Reimbursements	0.00					0.00	0.00			0.00						
Category 90 30 - Scheduled Reimbursements	0.00					0.00	0.00			0.00						
ACCTTYPE R (PRIOR YEAR)																
161000 - School-Checks, Warrants	1,370.39					0.00	1,370.39	1,370.39								
161400 - Miscellaneous Revenue	(3,000.00)		3,000.00			(2,000.00)	(2,000.00)	(2,000.00)								
985040 - Transfers from Fund 8506	(1,852,261,251.80)					(1,488,843.00)	(1,854,114.80)				(1,854,114.80)					
500000 - Refunds to Reverted Appns	(2,379.50)					0.00	(2,379.50)					(2,379.50)				
ISM 1234-001-0001, CHAPTER XX/XX (PRIOR YEAR)																
Program 10 - Annual Financial Plan	4,344,679.63		(4,410,635.60)			4,408.14	(69,548.81)			(69,548.81)						
Program 20 - Program and Inf. System	7,983,243.80		(8,087,840.17)			8,444.93	30,756.70			30,756.70						
Program 4001 - Administration	1,473,051.35		(1,484,137.63)			301.78	19,415.70			19,415.70						
Program 4002 - Distributed Admin.	(1,473,051.35)		1,484,137.63			(301.78)	(19,415.70)			(19,415.70)						
Program 99 - Clearing Account	8,145,856.43		(8,154,194.09)			(8,337.66)	(800)			(800)						
Category 90 10 - Scheduled Reimbursements	(441,683.35)		898,735.30			(257,051.95)	0.00			0.00						
Category 90 30 - Scheduled Reimbursements	(700,627.24)		714,252.11			0.00	(4,375.13)			(4,375.13)						
ACCTTYPE R (CURRENT YEAR)																
161000 - School-Checks, Warrants	(1,030.40)					0.00	(1,030.40)	(1,030.40)								
161400 - Miscellaneous Revenue	(2,289.94)					(1,000.00)	(3,339.94)	(3,339.94)								
985040 - Transfers from Fund 8506	(5,292,568,943.00)					0.00	(5,292,568,943.00)				(5,292,568,943.00)					
ISM 1234-001-0001, CHAPTER XX/XX (CURRENT YEAR)																
Program 10 - Annual Financial Plan	26,453,159.83					3,550,018.44	30,003,178.29			30,003,178.29						
Program 20 - Program and Inf. System	18,327,117.71					1,746,803.84	20,253,921.55			20,253,921.55						
Program 4001 - Administration	11,180,763.67					1,832,388.52	13,718,152.19			13,718,152.19						
Program 4002 - Distributed Admin.	(11,180,763.67)					(1,832,388.52)	(13,718,152.19)			(13,718,152.19)						
Program 99 - Clearing Account	7,550,489.56					(7,550,489.56)	0.00			0.00						
Category 90 10 - Scheduled Reimbursements	(2,440,398.00)					(528,703.78)	(2,999,151.78)			(2,999,151.78)						
Category 90 30 - Scheduled Reimbursements	(4,141,938.00)					(663,708.10)	(5,135,636.37)			(5,135,636.37)						
Category 96 - Advance to State Compensation Insurance Fund	1,617.99					(1,617.99)	0.00			0.00						
Category 97 - Office Revolving Fund Advance	200,000.00					(200,000.00)	0.00			0.00						
Category 98 - Advance to Service Revolving Fund - Other Service	49,000.00					(49,000.00)	0.00			0.00						
TOTAL	(5,732,718,870.93)	0.00	3,344,983.38	0.00	0.00	(4,438,354.41)	(5,733,891,874.34)	(5,000,111)	(6,109,163.26)	\$2,223,727.43	(5,777,979,051.82)			(2,379.50)		

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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/department for other state agencies/departments or local governments.

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

Trust and Agency Funds – Other are used to account for money and properties that are received and disbursed by the State as 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.	File Format Required for Submission to SCO	Report Description
3	—	576 A	7955	Excel	Adjustments to Controller's Accounts
7 ^a	RPTGL068	—	7962	PDF/Excel	Pre-Closing Trial Balance
8	RPTGL069	—	7962	PDF	Post-Closing Trial Balance
9 ^b	RPTGL113	—	7963	PDF	Statement of Operations (Analysis of Change in Fund Balance)
20 ^b	RPTGL077	—	7979	PDF	Statement of Financial Condition

Special Reports:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	File Format Required for Submission to SCO	Report Description
18	RPTGL075	—	7463 7977 8670.2	Excel	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	RPTGL076	—	7978	Excel	Statement of Capital Assets Group of Accounts One report per agency/department
22 ^c	—	—	7980	PDF	Statement of Contingent Liabilities One report per fund

(Continued)

- a. FI\$Cal agencies/departments submit PDF Report 7 generated from FI\$Cal. An additional Excel format of Report 7 for FI\$Cal agencies/departments is optional but encouraged. Non-FI\$Cal Departments must submit Excel Report 7.
- b. Required for non-shared funds, Federal Trust Fund (0890), Special Deposit Fund (0942), and Fiduciary Funds Outside the Centralized Treasury System (0990).
- c. Not required for Fund 0990 (Fiduciary Funds Outside the Centralized Treasury System).

Supplemental Forms:

Report Number	FI\$Cal Report ID	Form Number	SAM Sec.	File Format Required for Submission to SCO	Report Description
—	RPTGL354	—	7962	PDF	Due To/From & Transfers In/Out Supplemental Form or Subsidiaries on File Report ^d One report per fund
—	—	—	—	PDF	Material Variance Explanation Form One report per fund even if there is no activity to report

(Concluded)

- d. If the agency/department accrues Due To/From Other Funds/Appropriation, General Ledger (GL) 3114.FFFF, 1410.FFFF, 1420.AAAA, 3115.AAAA, and/or Transfer In/Out GL 9811/9812 on Report 7, 3, or Revisions to Reports 7 and 3, it is required to complete the Due To/From & Transfers In/Out Supplemental Form for Non-FI\$Cal agencies/departments or Subsidiaries on File Report for FI\$Cal agencies/departments. FFFF denotes fund and AAAA denotes agency/department business unit/organization code. FI\$Cal agencies/departments do not need to submit a Due To/From Other Funds/Appropriation & Transfers In/Out Supplemental Form if the required information is included in Subsidiaries on File.

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 agencies/departments 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
1730.0512	Prepayments to State Compensation Insurance Fund
1730.0666	Prepayments to Service Revolving Fund
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.

Agencies/Departments are required to submit Report 3 electronically to SCO using the most current Excel Report 3 template available on the SCO website. Please do not use previous year's Report 3 template, customize your own Report 3 template, or alter the SCO-provided template. Even if account titles do not display completely, SCO analysts can still read them, and SCO systems can still pick up the information. This will enable SCO to accept journal entries without the need for manual key entry.

Only 576 A tab should be used for Nongovernmental Cost Funds and completed in the same manner as Report 3 for Governmental Cost Funds. An attachment (e.g., Notice of Transfer of Funds, 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, 576 A tab, is used as a system input document by SCO, it is important for the agency/department to carefully follow the instructions for this report. Properly completed reports will enable SCO to process entries without any further adjustments.

Report 3 Excel format consists of the following tabs:

- **Instructions:** This tab contains brief instructions for using the Report 3 Excel template, with less detail than is found in this Procedure Manual.
- **Report 3 GLs (576 A):** Designed to report adjustments to asset and liability accounts.
- **Report 3 Detail (576 B):** Leave it blank as it is not applicable for Nongovernmental Cost Funds.
- **Footnotes:** Use this tab to provide footnote explanations for any corrections and number the supporting documentation.

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

Example 1:

The agency's/department'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>Agencies/Departments 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/department's Report 7 and Report 3 for Cash in State Treasury should equal the SCO's balance as of June 30:

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

Example 2:

The agency's/department'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>Agencies/Departments 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/department's Report 7 and Report 3 for Cash in State Treasury should equal the SCO's balance as of June 30:

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

- General Instructions**
- Submit an Excel file only. No need to submit PDF file if an Excel file is submitted.
 - Prepare a separate report for each fund and subfund(s). **Use the actual subfund number(s).**
 - Enter all amounts in dollars and cents.
 - Leave Amount column blank for accounts with zero balances. **Do not** enter zeros.
 - Total debits must equal total credits.
 - Do not use dollar signs (\$).
 - All adjusting entries must be accompanied by an attachment (e.g., Notice of Transfer of Funds, budget revision, etc.) explaining the reason for the adjustment. These entries must be submitted in FI\$Cal and approved by the SCO ATU 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 in the Footnotes Tab.

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

Report 3 GLs (576 A)

- 1 June 30, 20XX / Version m.d.yy.x:** This date is hard coded with the current year and cannot be changed by the agency/department. The version number can be compared to the version number of the template posted on the SCO reporting website to ensure you are using the most current version. Please visit the SCO reporting website to obtain the most updated workbook each year.
- 2 Check here for Revision:** If you are preparing a revision, check this box. For a revision, only report the difference between the original, already processed Report 3 and the correct amounts and accounts. If a revision is needed, work with your SCO SGR analyst to confirm whether the original Report 3 has been processed. **NOTE: A revised Certification Letter, Report 7, and Report 8 are required with every revision. A revised Due To/From & Transfers In/Out Supplemental Form (Non-FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.**
- 3 Agency Number:** Enter the agency/department number.
- 4 Agency Name:** Enter the agency/department name.
- 5 Fund Number:** Enter the fund and actual subfund number(s).

- 6 Fund Name:** Enter the fund name.
- 7 Name of Contact Person, Title:** Enter the name and title of the person to contact with questions concerning this report.
- 8 Telephone Number:** Enter the contact person's telephone number.
- 9 Email Address:** Enter the contact person's email address.
- 10 Amount Debit = Credit?:** If this field is red and reads FALSE, it means Report 3 accrual debits do not equal credits. If you have finished filling out current tab of Report 3, check for mistyped amounts or missing D/C signs in the amount column.
- 11 Account:** Enter the proper four-digit account number using the lowest level account numbers listed in the UCM. Do not enter a subsidiary number unless it is required, as discussed below. Agencies/departments 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: Submit the Due To/From & Transfers In/Out 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 7620, 7640, 10421, 10514, and 10517.

FI\$Cal agencies that submit the Subsidiaries on File with Due To/From & Transfers In/Out information do not need to submit the Due To/From & Transfers In/Out Supplemental Report.

- 12 Amount:** Post adjustments to the appropriate GL accounts. The amounts entered should only be adjustments needed to bring the agencies'/departments' balances on Report 7 into agreement with the SCO's cash basis balances as of June 30.
- 13 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.
- 14 Report 3 GLs (576 A):** This worksheet is for entering asset and liability GL accounts. **Do not enter total line on this tab.**

REPORT NO. 3 Form 576 A
 Version m.d.yy.x **1**

Adjustments to Controller's Accounts
 June 30, 20XX **1**

Check here for Revision **2**

Agency Number	Agency Name 4	Fund Number	Fund Name
1234 3	Governmental Accounting Advisory Board	FFFF 5	Fund Name 6
Name of Contact Person, Title		Telephone Number	Email Address
Bud. G. Tary, Accounting Administrator 7		916-555-1234 8	Bud.G.Tary@gaab.ca.gov 9
		Amount Debit = Credit? 10	#REF!
ACCOUNT TITLE		D C	ACCOUNT 11 AMOUNT 12 13
GENERAL CASH			1110
REVOLVING FUND CASH			1130
CASH ON HAND			1190
ACCOUNTS RECEIVABLE--ABATEMENTS			1311
ACCOUNTS RECEIVABLE--REIMBURSEMENTS			1312
ACCOUNTS RECEIVABLE--REVENUE			1313
ACCOUNTS RECEIVABLE--DISHONORED CHECKS			1315
ACCOUNTS RECEIVABLE--OTHER			1319
CONTINGENT RECEIVABLE			1380
DUE FROM OTHER FUNDS			1410
DUE FROM OTHER APPROPRIATIONS			1420 4720 949.84 D
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600
EXPENSE ADVANCES			1710
ACCOUNTS PAYABLE			3010
DUE TO OTHER FUNDS			3114
DUE TO OTHER APPROPRIATIONS			3115
DUE TO LOCAL GOVERNMENT 14			3220
LIABILITY FOR LOCAL SALES TAX			3220

> Instructions
Report 3 GLs (576 A)
Footnotes
+

Pre-Closing Trial Balance (Report 7)

The Pre-Closing Trial Balance (Report 7) provides the agencies/departments 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.

As this report is used as a system input document by SCO, it is important for agencies/departments to carefully follow the instructions for this report. Properly completed reports will enable SCO to accept entries without any further adjustments. **FI\$Cal agencies/departments should submit FI\$Cal generated reports whenever they are available, and may refer to the Report 7 FI\$Cal format example in the Governmental Cost Funds section. Non-FI\$Cal agencies/departments are required to submit Report 7 electronically to SCO using the most current Excel Report 7 template available on the SCO website. Please do not use previous year's Excel Report 7 template, customize your own Report 7 template, or alter the SCO-provided template.** Even if account titles do not display completely, SCO analysts can still read them, and SCO systems can still pick up the information. This will enable SCO to accept journal entries without the need for manual key entry.

Report 7 Excel format consists of the following tabs:

- **Instructions:** This tab contains brief instructions for using the Report 7 Excel template, with less detail than is found in this Procedure Manual.
- **Report 7:** Designed to report June 30 GL account balances for cash balance, any current year accruals, current year adjustments, and prior year accrual reversals.
- **Footnotes:** Use this tab to provide footnote explanations for any abnormal GL account balances.

Long-term loan disclosure: For all agencies/departments, a footnote disclosure is required for any interest or loan repayments due within the year. These repayments should be footnoted on FI\$Cal generated Report 7 or the Footnotes tab if use the Report 7 Excel format. 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 Non-FI\$Cal agencies/departments submit Excel file only. FI\$Cal agencies/departments submit FI\$Cal generated Report 7. An additional Excel format of Report 7 for FI\$Cal agencies/departments is optional. **FI\$Cal agencies/departments could refer to Report 7 FI\$Cal format example in Governmental Cost Funds section.**

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

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

Report 7

- 1 June 30, 20XX / Version m.d.yy.x:** This date is hard coded to the current year and cannot be changed on the agency/department side. The version number can be compared to the version number of the template posted on the SCO reporting website to ensure you are using the most current version. Please visit the SCO reporting website to obtain the most updated workbook each year.
- 2 Fund Number:** Enter the fund and subfund number(s).
Note: If the fund has subfund(s), use the actual subfund number(s).
- 3 Fund Name:** Enter the fund name.
- 4 BU Number:** Enter the agency/department number.
- 5 BU Name:** Enter the agency/department name.

- 6 Check here for Revision:** If you are preparing a revision, check this box. For a revision, only report the difference between the original, already processed Report 7, and the correct amounts and accounts. If a revision is needed, work with your SCO SGR analyst to confirm whether the original Report 7 has been processed. **NOTE: A Revised Certification Letter and Report 8 is required with every revision. A revised Due To/From & Transfers In/Out Supplemental Form (FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.**
- 7 Debits = Credits?:** If this field is red and reads No, it means Report 7 debits do not equal credits. If you have finished filling out all of Report 7, check for mistyped amounts or amounts that may have been misplaced in the Debits/Credits columns.
- 8 GL:** Enter the lowest-level GL account numbers listed in the UCM.
- 9 Account Title:** Complete the account title that corresponds with the respective account number.
- 10 Subsidiary:** To identify the other fund involved in an interfund transaction, enter the four-digit fund number.

REMINDER:

Fill out the Due To/From Other Funds/Appropriations & Transfers In/Out 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 7620, 7640, 10421, 10514, and 10517.

Submit the Due To/From Other Funds/Appropriations & Transfers In/Out Supplemental Form or Subsidiaries on File Report for GL 3115.AAAA and 1420.AAAA.

If the Due To/Due From is within the same fund, but different appropriations, enter the four-digit business unit/organization code immediately following the GL account numbers listed below to identify the other agency/department involved in the inter-agency transaction. **If the AAAA is your own agency/department, 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, 1420.AAAA, 1510, or 1590). If such reimbursements were accrued under GL 1312, Accounts Receivable – Reimbursements, then the agency/department must reclassify them to the proper receivable accounts.

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

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/departments must submit the Subsidiaries on File Report, which will provide SCO with the required subsidiary numbers.

FI\$Cal agencies that submit the Subsidiaries on File Report with Due To/From & Transfers In/Out information do not need to submit the Due To/From & Transfers In/Out Supplemental Form.

For all agencies/departments, the **unencumbered** amount of the Due From Other Funds GL 1410.FFFF or Due From Other Appropriations GL 1420.AAAA must equal the related **unencumbered** amount of the Due To Other Funds GL 3114.FFFF or Due To Other Appropriations GL 3115.AAAA from other agencies/departments. Agencies/Departments must coordinate related amounts reported to ensure the amounts are equal.

Submit the Due To/From Other Funds/Appropriations & Transfers In/Out Supplemental Form or Subsidiaries of File Report to provide SCO with the business unit/organization code(s) and agency/department name(s) related to the Due To/From Other Fund and Transfer In/Out transactions submitted on Reports 3 and 7.

11 Debits or Credits: Post the agencies'/departments' balance for each GL account in the proper column.

12 Errors: This column will display any common errors that are on the spreadsheet.

REMINDER: Do not enter total line on Report 7 Excel format.

Statewide and Pro Rata assessments

The administering agency/department or fund administrator of a fund is responsible for including statewide and Pro Rata assessments on Report 7, although the expenditures are charged under other business unit/organization codes. These assessments/charges are the shared costs associated with statewide projects, such as BU 9900 – Pro Rata.

Sample of Excel Report 7 (for Non-FI\$Cal agencies/departments):

Report 7 - Preclosing Trial Balance (NGC Fund Only)					
As of June 30, 20XX					
Version m.d.yy.x ¹					
Fund: 0687 ²	Fund Name: Donated Food Revolving Fund ³				
BU: 1234 ⁴	BU Name: Governmental Accounting Advisory Board ⁵				
Check here for Revision <input type="checkbox"/> ⁶		Debits = Credits? ⁷ Yes			
GL ⁸	Account Title ⁹	Subsidiary ¹⁰	Debits ¹¹	Credits ¹¹	Errors ¹²
1140	Cash in State Treasury		224.43		
1210	SMIF Deposits		6,066,000.00		
1313	AR - Revenue		14,677.50		
1319	AR - Other		121,350.22		
1410	Due From Other Funds	0001	2,911,984.60		
1540	Due From School Districts		104,884.10		
1590	Due From Other Govt Entities		6,717.90		
1600	Prov Deferred A/R-Revenue	01313		1,504.20	
1600	Prov Deferred A/R-Other	01319		121,350.22	
1600	Prov Deferred Due from Schools	01540		1,291.85	
1600	Prov Deferred Due from Other Gov	01590		2,217.30	
2341	Equipment		2,931,626.73		
2349	Accum Depr - Equipment			1,725,975.86	
2416	Rights Leased Bldgs-Amortiz		21,702,691.39		
2496	Acc Amortiz-Rights Leased Bldg			2,183,141.03	
3010	Accounts Payable			1,505,550.55	
3114	Due to Other Funds	0231		21,201.34	
3114	Due to Other Funds	0678		12,248.64	
3220	Due to Local Government			19,099.23	
3290	Due to Other Govt Entities			22,458.27	
4700	Other Noncurrent Liabilities			19,441,435.54	
5540	Retained Earnings			9,869,770.29	
8000	Revenue			1,885,658.78	
9000	Appropriated Expenses		2,922,746.23		
9998	Supplementary Pension Assessment		30,000.00		

REPORT 7 - PRE-CLOSING TRIAL BALANCE
Governmental Accounting Advisory Board - 1234
Fund 0687
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board
Fund: 0687 - Donated Food Revolving Fund
Subfund:

Report ID: RPTGL068
Run Date: 8/15/20XX
Run Time: 13:19:36
Adjustment: 998
Ledger: BUDLEGAL

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1140	Cash in State Treasury		347.14 ⁽¹⁾
1210	SMIF Deposits	6,066,000.00	
1313	AR - Revenue	14,677.50	
1319	AR - Other	121,350.22	
* 1410	Due From Other Funds	2,911,984.60	
1540	Due From School Districts	104,884.10	
1590	Due From Other Govt Entities	6,717.90	
* 1600	Provision For Deferred AR		126,363.57
2341	Equipment	2,931,626.73	
2349	Accum Depr - Equipment		1,725,975.86
2416	Rights Leased Buidgs-Amortiz	21,702,691.39	
2496	Acc Amortiz-Rights Leased		2,183,141.03
3010	Accounts Payable		1,505,550.55
* 3114	Due to Other Funds		33,449.98
3220	Due to Local Government		19,099.23
3290	Due to Other Govt Entities		22,458.27
4700	Other Noncurrent Liabilities		19,441,435.54
5540	Retained Earnings		9,869,770.29
65	Unapp InterUnit Transfers	571.57	⁽¹⁾
8000	Revenue		1,885,658.78
9000	Appropriated Expenses	2,922,746.23	
9998	Supplementary Pension	30,000.00	
Fund	0687	36,813,250.24	36,813,250.24

* 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). The sum of GL 65 and GL 1140 is a normal debit balance of \$224.43.

Post-Closing Trial Balance (Report 8)

The Post-Closing Trial Balance (Report 8) provides the agencies'/departments' 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
Governmental Accounting Advisory Board - 1234
Fund 0687
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board	Report ID:	RPTGL069
Fund: 0687 - Donated Food Revolving Fund	Run Date:	8/15/20XX
Subfund:	Run Time:	13:19:36
	Adjustment Period:	998
	Ledger:	BUDLEGAL

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1140	Cash in State Treasury		347.14 (1)
1210	SMIF Deposits	6,066,000.00	
1313	AR - Revenue	14,677.50	
1319	AR - Other	121,350.22	
* 1410	Due From Other Funds	2,911,984.60	
1540	Due From School Districts	104,884.10	
1590	Due From Other Govt Entities	6,717.90	
* 1600	Provision For Deferred AR		126,363.57
2341	Equipment	2,931,626.73	
2349	Accum Depr - Equipment		1,725,975.86
2416	Rights Leased Bldgs-Amortiz	21,702,691.39	
2496	Acc Amortiz-Rights Leased Bldg		2,183,141.03
3010	Accounts Payable		1,505,550.55
* 3114	Due to Other Funds		33,449.98
3220	Due to Local Government		19,099.23
3290	Due to Other Govt Entities		22,458.27
4700	Other Noncurrent Liabilities		19,441,435.54
5540	Retained Earnings		8,802,682.84
65	Unapp InterUnit Transfers	571.57	(1)
Fund	0687	33,860,504.01	33,860,504.01

* 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). The sum of GL 65 and GL 1140 is a normal debit balance of \$224.43.

Reports 7 and 8 for Federal Trust Fund

Before submitting year-end financial reports for the Federal Trust Fund (Fund 0890), ensure that there is a ending 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.

REPORT 7 - PRE-CLOSING TRIAL BALANCE
Governmental Accounting Advisory Board - 1234
Fund 0890
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board	Report ID:	RPTGL068
Fund: 0890 - Federal Trust Fund	Run Date:	8/15/20XX
Subfund:	Run Time:	13:19:36
	Adjustment Period:	998
	Ledger:	BUDLEGAL

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1140	Cash in State Treasury	2,181,203.51	(1)
1319	AR - Other	21,544,450.97	
1380	Contingent Receivables	3,097,260.41	
1510	Due From Federal Government	12,371,246,651.26	
* 1600	Provision For Deferred AR		24,641,711.38
1750	Prepay to Nongovt Entities	112,952.35	
3010	Accounts Payable		222,760,949.00
* 3114	Due to Other Funds		133,521,772.08
3210	Due to Federal Government		547,932.40
3220	Due to Local Government		12,009,785,788.30
3290	Due to Other Govt Entities		11,020,684.50
5330	Reserve - Prepaid Items		112,952.35
65	Unapp InterUnit Transfers	4,209,271.51	(1)
8000	Revenue		7,160,037,594.89
9000	Appropriated Expenses	7,160,037,594.89	
Fund	0890	19,562,429,384.90	19,562,429,384.90

* 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).

REPORT 8 - POST-CLOSING TRIAL BALANCE
Governmental Accounting Advisory Board - 1234
Fund 0890
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board	Report ID: RPTGL069
Fund: 0890 - Federal Trust Fund	Run Date: 8/15/20XX
Subfund:	Run Time: 13:19:36
	Adjustment Period: 998
	Ledger: BUDLEGAL

GLAN	ACCOUNT TITLE	DEBITS	CREDITS
1140	Cash in State Treasury	2,181,203.51	(1)
1319	AR - Other	21,544,450.97	
1380	Contingent Receivables	3,097,260.41	
1510	Due From Federal Government	12,371,246,651.26	
* 1600	Provision For Deferred AR		24,641,711.38
1750	Prepay to Nongovt Entities	112,952.35	
3010	Accounts Payable		222,760,949.00
* 3114	Due to Other Funds		133,521,772.08
3210	Due to Federal Government		547,932.40
3220	Due to Local Government		12,009,785,788.30
3290	Due to Other Govt Entities		11,020,684.50
5330	Reserve - Prepaid Items		112,952.35
65	Unapp InterUnit Transfers	4,209,271.51	(1)
Fund	0890	12,402,391,790.01	12,402,391,790.01

* 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).

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/department 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
Governmental Accounting Advisory Board - 1234
Fund 0687
Fiscal Year 20XX - XX
As of 06/30/20XX

Business Unit:	1234 - Governmental Accounting Advisory Board	Report ID:	RPTGL113
Fund:	0687 - Donated Food Revolving Fund	Run Date:	8/15/20XX
Subfund:		Run Time:	14:41:46
		Adjustment Period:	998

Account Number	Account Title	Total
5540	Retained Earnings, July 1, 20XX	9,869,770.29
8000	Additions: Revenue	
		1,885,658.78
	Total Additions	1,885,658.78
9000	Deductions: Appropriated Expenses	
		2,922,746.23
9998	Supplementary Pension Assessme	
		30,000.00
	Total Deductions	2,952,746.23
	Adjustments to Fund Balance: Total Adjustments	<u>0.00</u>
5540	Retained Earnings, June 30, 20XX	<u>8,802,682.84</u>

REPORT 9 ANALYSIS OF CHANGE IN FUND BALANCE
Governmental Accounting Advisory Board - 1234
Fund 0890
Fiscal Year 20XX - XX
As of 06/30/20XX

Business Unit:	1234 - Governmental Accounting Advisory Board	Report ID:	RPTGL113
Fund:	0890 - Federal Trust Fund	Run Date:	8/15/20XX
Subfund:		Run Time:	14:41:46
		Adjustment Period:	998

Account Number	Account Title	Total
5530	Fund Balance - Unappropriated, July 1, 20XX	0.00
8000	Additions: Revenue	
		7,160,037,594.89
	Total Additions	7,160,037,594.89
9000	Deductions: Appropriated Expenses	
		7,160,037,594.89
	Total Deductions	7,160,037,594.89
5530	Fund Balance - Unappropriated, June 30, 20XX	0.00

Name of Contact Person (Type or Print)

Telephone Number

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
Governmental Accounting Advisory Board - 1234
Fund 0687 - Donated Food Revolving Fund
Fiscal Year 20XX - XX
As of 06/30/20XX
Ledger - BUDLEGAL

Subfund:

Run Date: 8/15/20XX
Run Time: 9:45 AM

Assets

Account	Account Title	Balance
65	Unapp InterUnit Transfers	571.57
1140	Cash in State Treasury	(347.14)
1210	SMIF Deposits	6,066,000.00
1313	AR - Revenue	14,677.50
1319	AR - Other	121,350.22
1410	Due From Other Funds	2,911,984.60
1540	Due From School Districts	104,884.10
1590	Due From Other Govt Entities	6,717.90
1600	Provision For Deferred AR	(126,363.57)
2341	Equipment	2,931,626.73
2349	Accum Depr - Equipment	(1,725,975.86)
2416	Rights Leased Bldgs-Amortiz	21,702,691.39
2496	Acc Amortiz-Rights Leased Bldg	(2,183,141.03)
Total Assets		29,824,676.41

Liabilities & Fund Equity

Account	Account Title	Balance
3010	Accounts Payable	1,505,550.55
3114	Due to Other Funds	33,449.98
3220	Due to Local Government	19,099.23
3290	Due to Other Govt Entities	22,458.27
4700	Other Noncurrent Liabilities	19,441,435.54
5540	Retained Earnings	8,802,682.84
Total Liabilities		21,021,993.57
Total Fund Equity		8,802,682.84
Total Liabilities & Fund Equity		29,824,676.41

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/department when the claimant cannot be found is also deposited in the fund and remains for two years. If not claimed within the two-year period, the money reverts to the General Fund, except for unclaimed warrants deposited, which will revert to the fund against which the warrant was drawn.

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

- Submit a separate set of year-end financial reports for each sub-fund including the Due To/From & Transfers In/Out Supplemental Form (if applicable) for non-FI\$Cal agencies/departments, or Subsidiaries on File report for FI\$Cal agencies/department. Agencies/departments are also required to submit a consolidated Report 7 and Report 8. 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 fiscal year.
- 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 on the Footnotes tab of Report 3.
- June 30 accounts not yet approved by DOF are considered Fiduciary Funds Outside the Centralized Treasury System until an agency/department 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/department that is not required to be deposited in a fund in the State Treasury.

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

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

Note: Trust cash in an agency/department 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/departments to comply with various legal requirements. For instance, negotiable securities held by the State Treasurer, bearer bonds, stocks, or certificates of deposits not assigned to the agency/department. Also included are fees, bids, and security deposits.
 - **Private Trusts:** The state agency/department 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/department 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 9.

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.

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD – 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		706,376.67
	Total	706,376.67	706,376.67

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the 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

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD – 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		706,376.67
	Total	<u>706,376.67</u>	<u>706,376.67</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the 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

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD – 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
	Total Additions	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
	Total Deductions	41,992.00
	Fund Balance, June 30, 20XX	<u>\$ 706,376.67</u>

Special Reports

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 fiscal year. This information is needed for the preparation of the Annual *Comprehensive Financial Report* in conformity with the Generally Accepted Accounting Principles of the United States of America (GAAP).

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

A list of agencies/departments required to submit Report 18 is posted 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 [Budget Letters | Department of Finance \(ca.gov\)](#).

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/Departments are required to report their intangible assets using the lowest-level GL account(s) in the financial reports.

Effective beginning fiscal year 2022-2023 Reports 18 and 19 should include the Right-To-Use Subscription-Based Information Technology Arrangements (SBITA) created by GASB Statement No. 96. More information on GASB 96 implementation can be found on the SCO website at [GAAP Basis Reporting \(ca.gov\)](#).

SAM section 7977 requires all agencies/departments 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 between beginning balances and prior year ending balances of capital assets.

Beginning in FY 2023-24, agencies/departments are required to submit Report 18 electronically in Excel format to SCO. For FI\$Cal agencies/departments, please submit the FI\$Cal-generated Excel Report 18. For non-FI\$Cal agencies/departments, please use the most current Excel Report 18 template available on the SCO website. *Please do not use previous year's Report 18 template, customize your own Report 18 template, alter the FI\$Cal-generated Report 18, or alter SCO- provided Report 18 Excel template.*

Note: Agencies/Departments are encouraged to keep the identical PDF copy for their record.

If agencies/departments would like to make any additional notes to the Report 18, they should do so in a separate worksheet in the Report 18 workbook.

For 2025-26, please see italicized clarifications for capital assets reporting.

General Instructions

- A separate Report 18 must be prepared for each fund within your agency/department, except Fiduciary Funds that were acquired with non-General Fund money. 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, add a note “no capital assets to report” on the Certification Letter.**
- Agencies/Departments are required to identify each Report 18 with the fund name, fund number, agency/department, and business unit/organization code.
- 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.
- If your department has a Report 18 for a fund that does not require year-end financial statements but has a capital asset balance, submit the Report 18 with the fund that submits the Report 19.
- 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/department submits must equal the number of funds reported in the agencies'/departments' Report 19.
- Submit any Report 18s that do not have any other accompanying Budgetary/Legal Basis year-end financial reports on the same due dates for all other electronic submissions.
- 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 [Budget Letters | Department of Finance \(ca.gov\)](#)
- 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/department are transferred to another fund or agency/department, the receiving agency/department should reflect the transfer as an increase in its Beginning Balance column, while the agency/department transferring the assets should report a decrease in the Beginning Balance column.
- Ensure the run date is visible and updated for any revised Report 18s.
- 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 SGR@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. Please refer to [SCO Budgetary/Legal Basis Reporting website](#) for most current Report 18 and the Beginning Balance Differential Report.

REPORT 18 – STATEMENT OF CHANGES IN CAPITAL ASSETS
Governmental Accounting Advisory Board - 1234
Fund 0001
Fiscal Year 20XX-XX
As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board
Fund: 0001 - General Fund
Subfund:

Report ID: RPTGL075
Run Date: 08/15/20XX
Run Time: 13:59:40

Account – Description	Beginning Balance	Additions	Deductions	Ending Balance
Tangible Assets				
2341 - Equipment	3,846,131.48	260,068.10	88,553.26	4,017,646.32
Intangible Assets				
2411 - Computer Software - Amortizabl	11,867,776.48	3,239,146.04	68,529.25	15,038,393.27
2416 - Rights Leased Buildgs-Amortiz	554,335.86	0.00	0.00	554,335.86
2418 - Right-to-use SBITA - Amortizab	271,540.00	0.00	0.00	271,540.00
Fund: ✔ 0001	<u>16,539,783.82</u>	<u>3,499,214.14</u>	<u>157,082.51</u>	<u>19,881,915.45</u>
Sub Fund: ✔ 000				

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

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 Balance ¹	Additions	Deductions	Balance ² 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		375,600.00
Construction Work in Progress	500,000.00		50,000.00	450,000.00
Infrastructure - Depreciable			500,000.00	(500,000.00)
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				-
Right-to-Use Leased Land - Amortizable				-
Right-to-Use Leased Buildings - Amortizable	205,000.00			205,000.00
Right-to-Use Leased Equipment - Amortizable		200,000.00		200,000.00
Right-to-Use Subscription-Based Information Technology Arrangements (SBITA) – 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	\$ 4,969,202.00	\$ 850,000.00	\$ 550,000.00	\$ 5,269,202.00

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:						(10) 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): <i>prior year fiscal classification</i>	(8) Other amounts that make up the difference (provide description): <i>incorrect entry rec made in</i>	(9) Other amounts that make up the difference (provide description):	(10) Restatement Amount (should agree to the difference calculated)
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			-							-
Right-to-Use Leased Land - Amortizable			-							-
Right-to-Use Leased Buildings - Amortizable		205,000	205,000	205,000						205,000
Right-to-Use Leased Equipment - 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	847,602	-							-
Total	4,828,202	4,949,202	121,000	705,000	(5,000)	5,000	(550,000)	(34,000)	-	121,000

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.
 Col. 4 - Research posting and source documents to identify and explain the difference.
 Col. 4 - 9 Breakdown and categorize the differences in columns 4 to 9.
 Col. 10 - Compute the sum of columns 4 to 9. 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 the agencies'/departments' 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/department, 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/departments required to submit Report 19 is posted on the SCO website.

If there is nothing to report on Report 19, add a 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 SGR@sco.ca.gov.

An illustration of a completed Report 19 is shown on the following page. Please refer to SCO Budgetary/Legal Basis Reporting website for most current Report 19.

Beginning in FY 2023-24, agencies/departments are required to submit Report 19 electronically in Excel format to SCO. For FI\$Cal agencies/departments, please submit the FI\$Cal-generated Excel Report 19. For non-FI\$Cal agencies/departments, please use the most current Excel Report 19 template available on the SCO website. Please do not customize your own Report 19 template, alter the FI\$Cal-generated Report 19, or alter SCO-provided Report 19 Excel template. Note: Agencies/Departments are encouraged to keep the identical PDF copy for their record.

If agencies/departments would like to make any additional notes to the Report 19, they should do so in a separate worksheet in the Report 19 workbook.

REPORT 19 - STATEMENT OF CAPITAL ASSETS
 Governmental Accounting Advisory Board - 1234
 Fiscal Year 20XX-XX
 As of 06/30/20XX

Business Unit: 1234 - Governmental Accounting Advisory Board

Report ID: RPTGL076
 Run Date: 08/15/XX
 Run Time: 21:02:52

CAPITAL ASSETS:	<u>DEBIT BALANCE</u>	<u>CREDIT BALANCE</u>
Tangible Assets		
2341 - Equipment	5,435,894.74	0.00
Intangible Assets		
2411 - Computer Software - Amortizabl	19,877,747.40	0.00
2416 - Rights Leased Buildgs-Amortiz	3,611,308.54	0.00
2418 - Right-to-use SBITA - Amortizab	271,540.00	0.00
TOTAL CAPITAL ASSETS	<u>29,196,490.68</u> ¹	<u>0.00</u>
INVESTMENT IN CAPITAL ASSETS FROM: ²		
Fund: 0001 - General Fund	0.00	19,881,915.45
Sub Fund:		
Fund: 0890 - Federal Trust Fund	0.00	9,314,575.23
Sub Fund:		
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>0.00</u>	<u>29,196,490.68</u> ¹

1. Physical inventories of capital assets are made at least once every three years.
 2. Subsidiary capital asset records are in agreement with the general ledger control accounts shown above.

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/department. A Report 22 is required for all funds, or if there are no contingent liabilities, indicate on the Certification Letter “no activity to report.”

Report 22 must include contingencies for federal audit exceptions, other audit exceptions, and 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 \$300 million	Accrue
	Underlying event existed only after balance sheet date	Less than \$300 million	Do not accrue or disclose
		Greater than or equal \$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 \$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 \$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
 GOVERNMENTAL ACCOUNTING ADVISORY BOARD – 1234
 FUND 0001
 AS OF JUNE 30, 20XX**

Prepared by: Bud. G. Tary
 Telephone number: (916) 555-1234

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

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Supplemental Forms/Reports

Supplemental Forms/Reports

Due To/From Other Funds/Appropriations & Transfers In/Out Supplemental Form

Due To/From Other Funds

- SCO requires agencies/departments to identify the agency/department and fund involved in each Due To/From Other Fund/Appropriation transaction on the Due To/From Other Funds/Appropriation & Transfers In/Out 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/Appropriation & Transfers In/Out Supplemental Form is required for each shared and non-shared fund submitting year-end financial reports to SCO for those agencies/departments that have accruals. **If a fund has multiple sub-funds, agencies/departments are required to submit only one Due To/From Other Funds/Appropriation & Transfers In/Out 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. The form is available on the SCO website at https://sco.ca.gov/ard_reporting.html.
- **FI\$Cal agencies/departments do not need to submit a Due To/From Other Funds/Appropriation & Transfers In/Out Supplemental Form if the required information is included in the Subsidiaries on File Report.**
- Determine the ultimate fund or agency/department on the Due To/From & Transfers In/Out Supplemental Form. If the amount will be further transferred to or expended by another state agency/department 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/department to ensure that the accrual Due To and Due From reconcile and that both agencies/departments are using the ultimate fund.
- It is the agencies'/departments' 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/department, but the amounts cannot be confirmed.
- Submit the supplemental form/report 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 business unit/organization 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 business unit/organization code related to the accrual. This requirement will assist SCO with the Due To and Due From reconciliation.

Remember that the subsidiary four-digit business unit/organization code should reflect the ultimate organization. It is not necessary to report the business unit/organization code if it is merely a flow-through to another agency/department. 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/departments:

Type of transaction:

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

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

Reason for request:

The business unit referenced on the claim was 1234 but should have been business unit 4720.

Business unit 1234 would record their side of the entry as follows:

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

Business unit 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 business unit 1234)	\$1,000.00

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

Transfers In/Out

Agencies/Departments must identify the agency/department and fund involved in each GL 9811/9812. Amount posted to GL 9811/9812 should match Report 7 Pre-Closing Trial Balance.

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

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

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

**Due To/From & Transfers In/Out Supplemental Report
Governmental Accounting Advisory Board
Fund 0001
Fiscal Year 20XX-XX
As of 06/30/20XX**

Business 1234 – Governmental Accounting Advisory Board
Fund: 0001 – General Fund
Subfund:

This information is required for all Due To Other Funds (GL 3114), Due From Other Funds (GL 1410), Due To Other Appropriations (GL 3115), Due From Other Appropriations (GL 1420), and Transfers In/Out (GL9811/9812), Report No. 1, Report No. 3, Report No. 7, and/or Revisions to Report Nos. 1,3, and 7. Departments should coordinate with each other to ensure that their corresponding Due To/From and Transfers In/Out 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).

Contact Person: Bud. G. Tary, Accounting Administrator	Email Bud.G.Tary@gaab.ca.gov	Telephone: (916) 555-1234
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GL ACCOUNT	SUBSIDIARY FUND	SUBSIDIARY ORG	SUBSIDIARY ORGANIZATION TITLE	AMOUNT	SUBTOTAL (GL/SFUND/SORG)
1410	0890	1234	Governmental Acctg Advisory Board	3,378,594.73	3,378,594.73
1410	0942	1234	Governmental Acctg Advisory Board	26,570.67	26,570.67
1410	8506	8860	Department of Finance	148,863.02	148,863.02
1410	9740	8860	Department of Finance	668,310.65	668,310.65
			Total		4,222,339.07
1420	0001	6100	Department of Education	220,339.50	220,339.50
1420	0001	1234	Governmental Acctg Advisory Board	7,240,914.14	7,240,914.14
			Total		7,461,253.64
3114	0687	1234	Governmental Acctg Advisory Board	(591.16)	(591.16)
3114	9730	7502	Department of Technology	(21,170.71)	(21,170.71)
3114	9731	0820	Department of Justice	(2,176.25)	(2,176.25)
			Total		(23,938.12)
3115	0001	0840	State Controller	(5,979.86)	(5,979.86)
3115	0001	1234	Governmental Acctg Advisory Board	(7,240,914.14)	(7,240,914.14)
			Total		(7,246,894.00)
9811	8506	1234	Governmental Acctg Advisory Board	(5,777,979,057.82)	(5,777,979,057.82)
			Total		(5,777,979,057.82)

Subsidiaries on File

The Subsidiaries on File Report provides SCO with the required subsidiary information for general ledger accounts. This report is required for FI\$Cal agencies/departments if the subsidiary information is not available on the agency's/department's Report 7.

Subsidiary Fund Information Required for Inter-fund and Intra-fund Transactions

Certain general ledger accounts require a fund and/or organization number to identify the other fund involved in an inter-fund and intra-fund transaction. Refer to SAM Section 7605.

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

SUBSIDIARIES ON FILE
 Governmental Accounting Advisory Board - 1234
 Fund 0001
 Fiscal Year 20XX-XX
 As of 06/30/20XX

Business Unit : 1234 - Governmental Accounting Advisory Board
Fund : 0001 - General Fund
Subfund :

Report ID : RPTGL354
Run Date : 08/15/20XX
Run Time : 09:36:11
Adjustment Period : 998
Ledger: BUDLEGAL

GLAN	ACCOUNT TITLE				DEBITS	CREDITS
	SUBSIDIARY FUND/ACCOUNT	SUBSIDIARY FUND/ACCOUNT TITLE	SUBSIDIARY BUSINESS UNIT	SUBSIDIARY BUSINESS UNIT TITLE		
1410	DUE FROM OTHER FUNDS					
	0890	Federal Trust Fund	1234	Governmental Accounting Advisory Board	3,378,594.73	
	0942	Special Deposit Fund	1234	Governmental Accounting Advisory Board	26,570.67	
	8506	Coronavirus Fiscal Recovery Fd	8860	Department of Finance	148,863.02	
	9740	Central Service Cost Recovery	8860	Department of Finance	668,310.65	
	TOTAL ACCOUNT	1410			4,222,339.07	
1420	DUE FROM APPROPS - SAME FUND					
	0001	General Fund	6100	Department of Education	220,339.50	
	0001	General Fund	1234	Governmental Accounting Advisory Board	7,240,914.14	
	TOTAL ACCOUNT	1420			7,461,253.64	
1600	PROVISION FOR DEFERRED AR					
	01312	Prov Deferred A/R-Reimbursement				5,000.00
	01319	Prov Deferred A/R-Other				5,174.29
	TOTAL ACCOUNT	1600				10,174.29
1730	PREPAY TO OTHER FUNDS/APPROPS					
	0512	State Compensation Insurance F	8430	State Compensation Insurce Fd	1,617.99	
	0602	Architecture Revolving Fund	7760	Department of General Services	450,000.00	
	066600001	Service Revolving Fund	7760	Department of General Services	49,000.00	
	TOTAL ACCOUNT	1730			500,617.99	
3114	DUE TO OTHER FUNDS					
	0687	Donated Food Revolving Fund	1234	Governmental Accounting Advisory Board		591.16
	9730	Technology Services Revolving	7502	Department of Technology		21,170.71
	9731	Legal Services Revolving Fund	0820	Department of Justice		2,176.25
	TOTAL ACCOUNT	3114				23,938.12
3115	DUE TO OTHER APPROPRIATIONS					
	0001	General Fund	0840	State Controller		5,979.86
	0001	General Fund	1234	Governmental Accounting Advisory Board		7,240,914.14
	TOTAL ACCOUNT	3115				7,246,894.00
5330	RESERVE - PREPAID ITEMS					
	0602	Architecture Revolving Fund	7760	Department of General Services		450,000.00
	TOTAL ACCOUNT	5330				450,000.00
9811	TRANSFERS FROM OTHER FUNDS					
	8506	Coronavirus Fiscal Recovery Fd	1234	Governmental Accounting Advisory Board		5,777,979,057.82
	TOTAL ACCOUNT	9811				5,777,979,057.82

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/departments 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/ Reports. The MVEF is available on the SCO website at https://sco.ca.gov/ard_reporting.html.

Complete this form after you have prepared the fund's Report 7 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/Departments 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.

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

Fund Number: **0001** Contact Name: **Bud. G. Tary**

Agency Code: **1234** Contact Email: Bud.G.Tary@gaab.ca.gov

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

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

EXPENDITURES				
PY 20XX-XX	CY 20XX-XX	Variance Amount	Variance Percentage	Explanation Required?
\$ 50,001,830.70	\$ 52,223,727.43	\$ 2,221,896.73	4%	NO
Explanation:				

REVENUE				
PY 20XX-XX	CY 20XX-XX	Variance Amount	Variance Percentage	Explanation Required?
\$ (9,038.88)	\$ (5,000.17)	\$ 4,038.71	-45%	NO
Explanation:				

TRANSFERS IN				
PY 20XX-XX	CY 20XX-XX	Variance Amount	Variance Percentage	Explanation Required?
\$ (11,038,531,887.00)	\$ (5,777,979,057.82)	\$ 5,260,552,829.18	-48%	YES
Explanation: Transfers In (GL 9811) decreased due to the reduction of the state's direct disaster response costs paid by the General Fund (0001) and reimbursed from the Coronavirus Fiscal Recovery Fund (8506).				

TRANSFERS OUT				
PY 20XX-XX	CY 20XX-XX	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ -	\$ -	0%	NO
Explanation: No activity to report.				

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Checklists

Year-End Financial Reports Checklist

The Year-End Financial Reports Checklist is for agency/department 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). **DO NOT SUBMIT WITH YEAR END FINANCIAL REPORTS.**

Reminder:

- _____ 1. Agency/Department name, business unit/organization 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/department that is not required to be deposited in a fund in the State Treasury).
- _____ 5. "SCO Use Only" areas on Report 5 is left blank, unless something is preprinted in that area.
- _____ 6. Font size for accounts and amounts is no smaller than size 10.
- _____ 7. Submit all required reports electronically.

Certification Letter:

- _____ 1. Only one fund is listed on the Certification Letter, with the exception of funds with multiple sub-funds.
- _____ 2. Agency/Department name, business unit/organization code, mailing address, and names of the agency/department 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 Statement of Capital Assets (Report 19) with its year-end financial reports. Only one report is submitted per agency/department.

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

- _____ 1. **Use the most current Excel Report 1 template posted on the SCO website to prepare the report. Do not alter or create a new format.**
- _____ 2. Agency/Department name, business unit/organization code, fund name, and fund number appear on both tabs of Report 1 Excel workbook. If the fund has a subfund(s), use actual subfund number.
- _____ 3. All amounts appear in dollars and cents and without dollar signs.
- _____ 4. Accounts without accruals and encumbrances are left blank. No 0.00 (zero) amounts.
- _____ 5. The validation of total Debit=Credit for amount and encumbrance show TRUE in both tabs of Report 1 Excel workbook.
- _____ 6. Credit amounts appear without brackets or minus signs.
- _____ 7. General Ledger (GL) account numbers are the lowest level from the UCM.
- _____ 8. 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. Use the Due To/From & Transfers In/Out Supplemental Form posted on the SCO website.
- _____ 9. GLs 1410 and 3114 entries agree with Reports 7 and 8.
- _____ 10. 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/ departments.
- _____ 11. Advance to Agency & Office Revolving Fund (GL 2125) and Permanent Cash Revolving Fund (GL 2710) should not be reported, but reclassified to other accounts.
- _____ 12. 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).
- _____ 13. Prepayments to the Service Revolving Fund (GL 1730.0666) and prepayments to the State Compensation Insurance Fund (GL 1730.0512) are not included.

- _____ 14. A four-digit subsidiary business unit/organization 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/department, the amounts of these two accounts must equal.**
- _____ 15. 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.
- _____ 16. Encumbrance amount is equal to or less than the accrual amount. Debit and credit signs for encumbrances are the same as the related accruals.
- _____ 17. Goods and services received but not paid as of June 30 should be accrued as actual expenditures and liabilities, not encumbrances.
- _____ 18. If the encumbrances on Accounts Payable (GL 3010) are equal to the accrual amount, and the amount is greater than \$1 million, a footnote is included on Report 1, Footnotes tab, certifying that this is valid and Accounts Payable has no true liabilities.
- _____ 19. No expenditure or transfer accruals are reported for reverted appropriations that will not be revived by SCO in the current year.
- _____ 20. Accruals for abatements or reimbursements to reverted appropriations are credited to Refunds to Reverted Appropriations (Account 500000). The Fiscal Year should be the prior year.
- _____ 21. Accruals on Report 1 GLs (571 A) tab of Excel workbook 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.
- _____ 22. Accruals on Report 1 GLs (571 A) tab of Excel workbook 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.
- _____ 23. Accruals on Report 1 Detail (571 D) tab of Excel workbook agree with the Net Total Accruals per Agency column on Report 2 (opposite sign). **Ensure accruals do not create an overdraft in the appropriation.**
- _____ 24. 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.
- _____ 25. Agency General Cash (GL 1110) has a debit balance.
- _____ 26. GL account number agrees with account description.
- _____ 27. For every amount, there is a D or C listed in the D/C column.

- _____ 28. **No** accruals are posted for Categories 94, 95, 96, and 98.
- _____ 29. No accruals are posted for **intrafund** (transfers between sub-funds at the same fund) transfers for General Obligation Bond Funds.
- _____ 30. Abnormal accrual and/or encumbrance amounts are explained by a footnote on Report 1, Footnotes tab.
- _____ 31. Reimbursement accruals on Report 1 Detail (571 D) tab worksheet require a four-digit fund number and a three-digit sub-fund number in the Source Fund field.
- _____ 32. Program 99 Clearing Account balances **need to be zero after accruals**.
- _____ 33. Category 97 Office Revolving Fund accrual must match the June 30 SCO amount (opposite sign) so the balance nets to zero.
- _____ 34. Do not enter total lines on both Report 1 GLs (571 A) and Report 1 Detail (571 D) tabs.
- _____ 35. Clear all errors before submitting. If the accrual amount is less than the encumbrance amount in the Report 1 Detail (571 D) tab due to an abatement and a footnote is provided, it is ok to submit with that error.

Accrual Worksheet (Report 2):

- _____ 1. Column totals agree with the GL account balances on Reports 7 and 8, excluding GL 34XX, 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.

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 34XX, remitted to SCO.

OR

For non-shared funds: GL 1140
+ GL 1210
+ GL 34XX (receipted by SCO)
+ GL 3730 (Uncleared Collections) remitted to SCO
+ GL 5530
= Report 2 Total (opposite sign)

- _____ 5.
- _____ 6. The grand total agrees with the total Apply Current Year column on Report 15.
- _____ 7. Abnormal accrual and/or encumbrance amounts are explained by a footnote on Report 2.

Adjustments to Controller's Accounts (Report 3):

- _____ 1. Use the most current Excel Report 3 template posted on the SCO website to prepare the report. Do not alter or create a new format.
- _____ 2. When a revision for Report 3 is submitted, include revised Report 7 and 8 along with a revised Certification Letter. A revised Due To/From & Transfers In/Out Supplemental Form(Non-FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.
- _____ 3. For Governmental Cost Funds, amounts reported should be adjustments that are needed to correct account balances on SCO records as of June 30.
- _____ 4. For Nongovernmental Cost Funds, use **only 576 A** tab of Excel workbook 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 agencies/departments balances into agreement with SCO cash basis records as of June 30.
- _____ 5. Agency/Department name, business unit/organization code, fund name, and fund number appear on every page.
- _____ 6. All amounts appear in dollars and cents and without dollar signs.
- _____ 7. Amount column is left blank for accounts without adjustments.
- _____ 8. Total debits equal total credits.
- _____ 9. Credit amounts appear without brackets or minus signs.
- _____ 10. There are no encumbrances on Report 3.

_____ 11. GL account numbers are the lowest level from the UCM.

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. Use

_____ 12. the Due To/From & Transfers In/Out Supplemental Form posted on the SCO website.

A four-digit subsidiary agency/department number/organization code is provided for Due From

_____ 13. Other Appropriations (GL 1420.AAAA) and Due To Other Appropriations (GL 3115.AAAA).

For Governmental Cost Funds only, no adjustments are reported for reverted appropriations that

_____ 14. will not be revived by SCO in the current year.

For Governmental Cost Funds only, adjustment amounts on 576 B tab of Excel workbook agree

_____ 15. with the adjustment amounts reported on Reports 4, 5, and 15 and the supporting attachments.

For Governmental Cost Funds only, debits and credits on 576 B tab of Excel workbook for each

_____ 16. fund agree with the debits and credits on the Transaction Request form.

Attachments explaining the adjustments (e.g., Notice of Transfer of Funds, budget revision, etc.)

_____ 17. accompany Report 3, with each adjustment on Report 3 cross-referenced to the appropriate attachment. Adjustments must have been approved by the SCO ATU.

_____ 18. Clear all errors before submitting.

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, Form 571 D.

_____ 4. Adjustments to Controller's Accounts agree with Report 3, 576 B tab of Excel workbook.

For Bond funds, FI\$Cal agencies/departments cross out the incorrect Source 1XXXXX, write the correct Source 2XXXXX, and add a footnote explanation that the change is due to FI\$Cal Chart of

_____ 5. Account crosswalk.

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

_____ 1. Preprinted amounts are not altered.

2. If the agency/department does not agree with any preprinted amount, provide a footnote to indicate the amount per the agency/department records.

- _____ 3. All amounts appear in dollars and cents and without dollar signs.
- _____ 4. Accruals agree with Report 1, 571 D tab of Excel workbook.
- _____ 5. Adjustments to Controller's Accounts agree with Report 3, 576 B tab of Excel workbook.
- _____ 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 in Report 15.
- _____ 11. Total appropriation balance is zero or a credit amount.

Pre-Closing Trial Balance (Report 7):

- FI\$Cal agencies/departments should submit FI\$Cal-generated reports whenever they are available, and therefore should submit a FI\$Cal-generated Report 7. An additional Excel format of Report 7 for FI\$Cal departments is optional but encouraged. Non-FI\$Cal agencies/departments are required to submit Report 7 electronically for Nongovernmental Cost Funds (except Bond Funds) to SCO using the most current Excel Report 7 template available on the SCO website. Do not alter or create a new format.
- _____ 1. _____
 - _____ 2. All amounts appear in dollars and cents and without dollar signs.
 - _____ 3. Amount column is left blank for accounts without amounts.
 - _____ 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 UCM.

- _____ 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.

- _____ 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).

- _____ 9. A four-digit subsidiary business unit/organization 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 1390.0XXXX) and Provision for Deferred Receivables (GL 1600.0XXXX), the subsidiary numbers reflect the GL account number for the related receivable preceded by a zero.

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

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

- _____ 13. Advance to Agency & Office Revolving Fund (GL 2125) and Permanent Cash Revolving Fund (GL 2710) should not be reported, but reclassified to other accounts.

- _____ 14. For shared funds, the agency's/department'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.

- _____ 15. A footnote is provided to explain abnormal balances for all real and nominal accounts on the Excel Report 7 Footnotes tab or Report 7 generated from FI\$Cal.

- _____ 16. **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.

- _____ 17. **Non-shared fund's normal fund balance should be a zero or credit balance.**

- _____ 18. Do not enter total line on Report 7 Excel format.

- _____ 19. Clear all errors before submitting.

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. If it has a debit balance, a footnote explanation is required.

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.

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 plus Statewide Assessments and Pro Rata 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."

- _____ 6. Use most current Report 18 Excel template from SCO website (Non-FI\$Cal agencies/departments) or FI\$Cal generated Report 18 Excel format (FI\$Cal agencies/departments) to submit to SCO.

- _____ 7. If there are any deductions equal to or greater than \$1 million in aggregate for an asset account, a footnote is required.

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

- _____ 1. Total of all capital assets of the agency/department 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.

_____ 4. Use most current Report 19 Excel template from SCO website (Non-FI\$Cal agencies/departments) or FI\$Cal generated Report 19 Excel format (FI\$Cal agencies/departments) to submit to SCO.

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.

Supplemental Forms/Reports:

Due To/From Other Funds/Appropriations & Transfers In/Out Supplemental Form:

_____ 1. For each amount posted to GL 1410.XXXX/3114.XXXX, provide the four-digit business unit/organization code and agency/department name related to the accrual on the Supplemental Form.

_____ 2. Accruals for Due From Other Appropriations (GL 1420) or Due To Other Appropriations (GL 3115) include the four-digit business unit/organization code identifying the other agencies/departments involved.

_____ 3. For each amount posted to GL 9811/9812 provide the four-digit fund number, four-digit business unit/organization code, and agency/department name on the Supplemental Form.

_____ 4. The total of the GL account must agree with the GL balance on Report 7.

_____ 5. The Due To/From Other Funds/Appropriations & Transfers In/Out Supplemental Form Excel format can be found on the SCO website: https://sco.ca.gov/ard_reporting.html

Subsidiaries on File Report:

_____ 1. FI\$Cal agencies/departments must attach Subsidiaries on File Report in lieu of Due to/From Other Funds/Appropriations & Transfers In/Out Supplemental Form.

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:

- A revised Certification Letter, Report 7, and Report 8 are required with every revision. A revised Due To/From & Transfers In/Out Supplemental Form (Non-FI\$Cal agencies/departments) or Subsidiaries on File Report (FI\$Cal agencies/departments) may also be required.
- _____ 1. _____
 - _____ 2. 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 must be the difference between the original amount reported and the correct amount.**
 - _____ 3. The amounts on this report, plus the amounts on Reports 1 and 3 that were originally submitted to SCO, agree with the agencies'/departments' revised balances.
 - _____ 4. Agency/Department name, business unit/organization code, fund name, and fund number appear on every page.
 - _____ 5. All amounts appear in dollars and cents and without dollar signs.
 - _____ 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 UCM.
 - _____ 9. 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.
 - _____ 10. A four-digit subsidiary business unit/organization 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. Attachments explaining the revisions accompany this report with each adjustment on the report cross-referenced to the appropriate attachment.
 - _____ 13. Obtain approval from SCO if revisions must be submitted after the due date.
 - _____ 14. Only material amounts per SAM section 7981 are submitted as revisions.
 - _____ 15. Clear all errors before submitting.

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/departments to view and assess how they performed on their budgetary/legal year-end financial reports. 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/department business unit/organization 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:

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

Certification Letter:

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

Error Percentages Limit:

- All reports must include proper account numbers and titles, as shown in the UCM, with no more than a 2% error rate.
- Prior-year accruals for Governmental Cost and Bond Funds must be within 10% of actual revenues and expenditures realized in the current year.
- For all funds, except the General Fund, the difference between the ending fund balance (less reserve for encumbrances and the deferred payroll adjustment made by SCO) and the fund balance provided by 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 on the Footnotes tab of Excel Workbook.

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 on the Excel 7 Footnotes tab for Nongovernmental Cost Funds or Report 7 generated from FI\$Cal.

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 & Transfers In/Out Supplemental Form or Subsidiaries on File Report:

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

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
2024-25 YEAR-END FINANCIAL REPORTING CRITERIA CHECKLIST**

Fund Number: 0064 Agency Code: 2740 Fund Type: G Analyst: Jdelorey

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 09/02/2025. Was that on or before the due date? **Yes**
Due Date: September 02, 2025
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	1 error for ALL infractions	Error Calculation
Wrong account numbers	"0"s present in Encumbrance column	Total Entry Errors: 0
"SCO Only" box used	"0"s present in Amount column	Divided by Total Entries: 9
Amount entered on wrong line	Symbols such as "\$", "-", or "()" used	Error %: 0
Subsidiary accounts missing		Other Report Errors: 0
No org/fund number on first page		Total Errors: 0

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) **N/A**
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**

Notes/Errors

MEETS ALL FINANCIAL REPORTING CRITERIA?

Yes

• **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 business unit/organization 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.

2024-25 Financial Reporting Checklist									
Expenditure Criteria Worksheet									
Fund: 0064000 Agency: 2740 Analyst: Jdelorey									
					(A)	(B)	(C)		
					Expenditures as of	CY Expenditure	PY Expenditure		
Fund	Agency	FY	Ref	Enc Date	June 30	Accruals	Accruals		
0064000	2740	2023	001	06/30/2024	927,333.37	0.00	927,333.37		
Total:					927,333.37	0.00	927,333.37		
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) =	927,333.37			
					Total CY Expenditure Accruals (B) =	0.00			
					Total Expenditures as of June 30 (A) + Total CY Expenditure Accruals (B) =	927,333.37			
					90% x (Total Expenditures as of June 30 (A) + Total CY Expenditure Accruals (B)) =	834,600.03			
					Total PY Expenditure Accruals (C) =	927,333.37			
					110% x (Total Expenditures as of June 30 (A) + Total CY Expenditure Accruals (B)) =	1,020,066.71			
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 a business unit/organization 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.

2024-25 Financial Reporting Checklist						
Revenue Criteria Worksheet						
Fund: 0064000 Agency: 2740 Analyst: Jdelorey						
Fund	Agency	FY	Revenue Account*	(A) Revenue as of June 30	(B) CY Revenue Accruals	(C) PY Revenue Accruals
0064000	2740	2023	0150300	(584,913.19)	0.00	(584,913.19)
0064000	2740	2023	0113600	(120,508,333.14)	0.00	(119,112,384.26)
Total:				(121,093,246.33)	0.00	(119,697,297.45)
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) =		(121,093,246.33)
				Total CY Revenue Accruals (B) =		0.00
				Total Revenue as of June 30 (A) + Total CY Revenue Accruals (B) =		(121,093,246.33)
				90% x (Total Revenue as of June 30 (A) + Total CY Revenue Accruals (B)) =		(108,983,921.70)
				Total PY Revenue Accruals (C) =		(119,697,297.45)
				110% x (Total Revenue as of June 30 (A) + Total CY Revenue Accruals (B)) =		(133,202,570.96)
Are the Total PY Accruals between 90% and 110% of the Total Rev as of June 30 + Total CY Rev Accruals? Yes						

- **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.

2024-25 Financial Reporting Checklist Governor's Budget Criteria Worksheet (Amounts in thousands)				
Fund: 0064		Agency: 2740		Analyst: Jdelorey
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?
14,880	14,880	0	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.				

2740 Department of Motor Vehicles

FUND CONDITION STATEMENTS

	2024-25*	2025-26*	2026-27*
<u>0064 Motor Vehicle License Fee Account, Transportation Tax Fund⁹</u>			
BEGINNING BALANCE	\$9,115	\$14,880	-
Prior Year Adjustments	1,441	-	-
Adjusted Beginning Balance	\$10,556	\$14,880	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
4115300 Motor Vehicles - License (In-Lieu) Fees	908,284	926,621	\$956,410
4163000 Investment Income - Surplus Money Investments	2,428	364	364
Transfers and Other Adjustments			
Revenue Transfer from Motor Vehicle License Fee Account, Transportation Tax Fund (0064) to Local Revenue Fund 2011 (3171) per Revenue and Taxation Code Section 11005	-891,472	-917,822	-933,531
Revenue Transfer from Motor Vehicle Account State Transportation Fund (0044) to Motor Vehicle License Fee Account Transportation Tax Fund (0064) per Government Code Section 16475	4,392	3,573	3,573
Total Revenues, Transfers, and Other Adjustments	\$23,632	\$12,736	\$26,816
Total Resources	\$34,188	\$27,616	\$26,816
EXPENDITURE AND EXPENDITURE ADJUSTMENTS			
0840 State Controller (State Operations)	17	17	17
2740 Department of Motor Vehicles (State Operations)	12,005	19,507	17,754
7730 Franchise Tax Board (State Operations)	6,698	7,438	7,432
9892 Supplemental Pension Payments (State Operations)	163	-	-
9900 Statewide General Administrative Expenditures (Pro Rata) (State Operations)	425	654	1,613
Total Expenditures and Expenditure Adjustments	\$19,308	\$27,616	\$26,816
FUND BALANCE	\$14,880	-	-
Reserve for economic uncertainties	14,880	-	-

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/departments 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/department for each fund that is responsible for the overall management of the fund.

The following checklist is provided to assist with the agencies/departments 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/departments 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 Realignment, 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.
- ___ 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

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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. A business unit /organization 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/department.
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 reports, including required supplemental forms/reports.
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 (576B tab of Excel workbook) 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.



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