



Office of the State Controller

OFFICIAL MEMORANDUM

To: Chief Financial Officers, Vice Chancellors

From: Dr. Linda Combs *Linda Combs*

Date: 5/13/21

Subject: 2021 Year-End Close Package

CC: Fiscal Staff

In accordance with General Statute §143B-426.40H, your agency is required to submit its 2021 year-end Comprehensive Annual Financial Report (Annual Report) package to the Office of the State Controller (OSC).

Your timely completion of the accrual process, financial statements, and footnote worksheets will significantly improve our ability to prepare the 2021 Annual Report for the State of North Carolina. This office will provide a statewide accrual file to the Office of the State Auditor; therefore, we must insist that you strictly adhere to the year-end due dates specified below for your agency. Late submission of the Annual Report package constitutes noncompliance with General Statute §143B-426.40H.

The [2021 year-end Annual Report package](#) that you are required to complete is on the Office of the State Controller's website and consists of the following:

- Agency Year-end Activity Checklist and Instructions,
- Letter of Certification,
- Year-end Worksheets,
- Foundation Conversion Template (Universities only; due September 10, 2021),
- Year-end Package Narratives, and
- The Audit Report Transmittal Form (submit in accordance with policy, if applicable).

The packages for the following Tier I entities are due by **August 16, 2021**:

- USS North Carolina Battleship Commission,
- North Carolina Deferred Compensation Plan,
- 401(k) Supplemental Retirement Income Plan, and
- North Carolina Railroad Company.



The packages for the following Tier 2 entities are due by **August 20, 2021**:

- General Assembly,
- Office of the Lieutenant Governor,
- Secretary of State,
- Office of the State Auditor,
- Department of Justice,
- Department of Labor,
- Office of the State Controller,
- Wildlife Resources Commission,
- State Board of Elections,
- Office of Administrative Hearings, and
- North Carolina Ports Authority.

The packages for the following Tier 3 entities are due **August 25, 2021**:

- North Carolina Community College System Office,
- State Education Assistance Authority,
- Golden LEAF, Inc.,
- North Carolina Biotechnology Center,
- Centennial Authority, and
- All entities comprising the University of North Carolina (UNC) System.

The due date for all other entities is **August 27, 2021**.

The year-end package, letter of certification, and any proformas should be completed and uploaded to the [OSC Year-End Financial Reporting Packages SharePoint site](#).

The 401(k) Supplemental Retirement Income Plan, Deferred Compensation Plan, and the North Carolina Railroad Company are required to have a financial audit for the year ended December 31, 2020, and to submit an electronic file of their audit report with the Annual Report package in accordance with the [Office of State Controller's Submission of Audit Reports Policy](#). The *Audit Report Transmittal Form*, along with any updated Annual Report worksheets, must be submitted to reflect any changes in the audit report that were not included in the initial Annual Report package. These requirements are consistent with the Office of State Controller's Submission of Audit Reports Policy (see link above). The audit report, transmittal form, and updated worksheets should be uploaded to the [OSC Year-End Financial Reporting Packages SharePoint site](#).

The following entities that will have separately issued and audited financial statements for the year ended June 30, 2021, also are required to upload an electronic file of their audit report, using the *Audit Report Transmittal Form*, by September 30, 2021, to the [OSC Year-End Financial Reporting Packages SharePoint site](#):

- North Carolina Housing Finance Agency,
- Rex Healthcare,
- Golden LEAF, Inc.,
- State Education Assistance Authority,



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- North Carolina Biotechnology Center,
- North Carolina Turnpike Authority,
- Centennial Authority, and
- The Economic Development Partnership of North Carolina.

The following entity that will have separately issued and audited financial statements for the year ended June 30, 2021, is also required to submit an electronic file of their audit report, using the *Audit Report Transmittal Form*, by October 15, 2021, to [OSC Year-End Financial Reporting Packages SharePoint site](#):

- North Carolina Department of State Treasurer Investment Programs.

All universities, UNC Hospitals, and the North Carolina Education Lottery are required to submit an electronic file of their formal notes to the financial statements and their fiduciary activity financial statements, if applicable, by September 21, 2021. The formal notes and fiduciary activity financial statements should be uploaded to the OSC Year-End Financial Reporting Packages SharePoint site [OSC Year-End Financial Reporting Packages SharePoint site](#).

In addition, all component units of the State of North Carolina that issue separate financial statements and are audited by the Office of the State Auditor are required to prepare formal financial statements, formal notes to the financial statements, management's discussion and analysis, and required supplementary information (if applicable) in accordance with Generally Accepted Accounting Principles (GAAP). The component units are required to have these documents complete and made available to the State Auditor by September 21, 2021 and to disclose in their letter of certification to the State Controller that they are in compliance with this requirement.

The update for the 2021 Single Audit Reporting Package is still in progress. You will be notified when it is complete along with instructions for submitting. The Single Audit Reporting Package will have the same deadline as the agency's Annual Report package.

If you have any questions regarding these year-end procedures, please contact your analyst at the Office of the State Controller. Your cooperation is greatly appreciated.

Thank you.

SA 21-21