



# State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

April 15, 2005

## MEMORANDUM NO. SAD 05- 26

**TO:** Business Managers

**FROM:** Robert L. Powell  
State Controller

**SUBJECT:** Year End Close Package for June 30, 2005

The year end close package for June 30, 2005 is on the Office of the State Controller's website at the following address: [http://www.ncosc.net/sigdocs/sig\\_docs/sigDocumentation.html#YearEndActivities](http://www.ncosc.net/sigdocs/sig_docs/sigDocumentation.html#YearEndActivities). The files are available for downloading as indicated in the instructions on our web page. There are several changes to the year end requirements for the Comprehensive Annual Financial Report (CAFR) for this year, so please read and follow the memo and instructions carefully.

The year end close package consists of the following:

- Attachment 1** Community College Instructions and Review Checklist
- Attachment 2** Letter of Representation (several changes for 2005)
- Attachment 3** College Proforma Statements and CAFR Year End Worksheets
- Attachment 4** Single Audit Reporting Package
- Attachment 5** Foundation Conversion Template (Separate due date of Sept. 15, 2005)

One complete copy of the required year end CAFR package is due to the OSC by **August 31, 2005** in accordance with G.S. 143-20.1. Colleges must prepare their financial statement Exhibits A and B using the proforma financial statements referenced in Attachment 3 above. These proforma statements as well as all the required CAFR worksheets are included in the same Excel workbook file. The OSC is requesting that the community colleges e-mail by August 31, 2005 the Excel workbook file containing their financial statements and CAFR worksheets to the OSC. This file should be e-mailed to the following new e-mail address: [cafr@ncosc.net](mailto:cafr@ncosc.net) The colleges are not required to submit this information in hard copy form. Only the letter of representation is required to be mailed to the OSC by August 31, 2005.

MAILING ADDRESS  
1410 Mail Service Center  
Raleigh, NC 27699-1410

Telephone: (919) 981-5454  
Fax Number: (919) 981-5567  
State Courier: 56-50-10  
Website: [www.ncosc.net](http://www.ncosc.net)

LOCATION  
3512 Bush Street  
Raleigh, NC

The Foundation Conversion Template (Attachment 5) is required only for colleges that have foundations and similarly affiliated organizations that will be reported as discretely presented component units of the college. The due date for submission of the completed Foundation Conversion Template (a separate Excel file) is September 15, 2005. The OSC requires that the colleges e-mail the Foundation Conversion Template separately from the CAFR package file to [cafr@ncosc.net](mailto:cafr@ncosc.net). The Foundation Conversion Template is required in electronic form only and colleges should not submit any foundation information in hard copy form.

All colleges are required to prepare the formal financial statements, the formal notes to the financial statements, the management's discussion and analysis, and required supplementary information in accordance with GAAP by September 30, 2005.

Colleges should not submit a copy of their formal financial statements, formal notes to the financial statements, or formal management's discussion and analysis to the OSC, but they are required to have this information complete and made available to the State Auditor by September 30, 2005 and to disclose this in their letter of representation submitted to the OSC.

As in the past, colleges are required to prepare the statement of cash flows using the direct method, but are not required to submit the statement of cash flows as part of the year end CAFR package. There is a direct method cash flow template available on the OSC website at this address <http://www.ncosc.net/financial/34gasb/34gasb.html>.

Any modifications to the cash flow template that a college may need are the responsibility of the college.

Colleges must use the new format in the letter of representation for year end 2005; submitting the letter of representation in the old format will cause a delay in processing the year end package and could result in the package being late.

Attachment 4 of the year end close package is the Single Audit Reporting Package. The Single Audit Reporting Package should be submitted separately to the Office of the State Controller per the instructions by **August 31, 2005**. Do not include this package with your year end CAFR package.

The community colleges' timely completion of the accrual process, financial statements, CAFR worksheets and, if applicable the Foundation Conversion Template, will significantly improve the Office of the State Controller's ability to prepare the 2005 CAFR for the State of North Carolina.

If you have any questions or concerns regarding these year end procedures, please contact Helen Vozzo at (919) 981-5483 or Michelle Lassiter at (919) 981-5485 or you may e-mail us at [hvozzo@ncosc.net](mailto:hvozzo@ncosc.net) or [mlassiter@ncosc.net](mailto:mlassiter@ncosc.net). Your cooperation and timeliness are greatly appreciated. Thank you.

Attachments

RLP/hv