



State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

April 17, 2006

MEMORANDUM NO. SAD 06- 20

TO: Business Managers
FROM: Robert L. Powell
State Controller
SUBJECT: Year End Close Package

The year end close package for June 30, 2006 is on the Office of the State Controller's website at the following address: http://www.ncosc.net/sigdocs/sig_docs/sigDocumentation.html#YearEndActivities. The associated 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 this memorandum 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
- (Attachment 3) College Pro Forma Statements and CAFR Year End Worksheets
- (Attachment 4) Single Audit Reporting Package, submit separately per instructions
- (Attachment 5) Foundation Conversion Template, if applicable due September 15, 2006

The year end CAFR package is due to the Office of the State Controller (OSC) by August 31, 2006 in accordance with G.S. §143-20.1. Both the CAFR Package and letter of representation should be e-mailed to this address: : cafr@ncosc.net.

This year, due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, and GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section, an amendment of National Council on Governmental Accounting (NCGA) Statement 1*, several **new CAFR worksheets** will be required. Please note these changes and make the necessary preparations to provide the additional information required on the worksheets.

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Website: www.ncosc.net

LOCATION
3512 Bush Street
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All colleges are required to prepare formal financial statements, formal notes to the financial statements, management's discussion and analysis, and required supplementary information in accordance with generally accepted accounting principles (GAAP). Colleges should not submit a copy of these documents to the OSC. Colleges are required to have these documents complete and made available to the Office of the State Auditor by September 29, 2006 and to disclose compliance with this requirement in their letter of representation submitted to the OSC.

Your timely completion of the accrual process, financial statements, and footnote worksheets will significantly improve our ability to prepare the 2006 CAFR for the State of North Carolina.

If you have any questions or concerns regarding these year end procedures, please contact Darlene Langston at (919) 981-5489 or Helen Vozzo at (919) 981-5483 or you may e-mail us at dlangston@ncosc.net or hvozzo@ncosc.net. Your cooperation and timeliness are greatly appreciated. Thank you.

Attachments

RLP/hv