



# State of North Carolina Office of the State Controller

Michael F. Easley, Governor

Robert L. Powell, State Controller

April 17, 2006

## MEMORANDUM NO. SAD 06-24

**TO:** Chief Fiscal Officers  
Vice Chancellors

**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](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) Agency Year End Activity Check List and Instructions
- (Attachment 2) Letter of Representation
- (Attachment 3) CAFR Year End Worksheets
- (Attachment 4) Single Audit Reporting Package (submit separately per instructions)
- (Attachment 5) Foundation Conversion Template (Universities only; due Sept. 15, 2006)
- (Attachment 6) CAFR Package Narratives

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](mailto:cafr@ncosc.net).

A **new feature** this year is an extra file (a separate Word file) for agencies to submit narratives to support certain CAFR worksheets (Attachment 6 – CAFR Package Narratives). Please e-mail this new file along with the CAFR Package and letter of representation to [cafr@ncosc.net](mailto:cafr@ncosc.net) by the August 31, 2006 deadline.

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

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** may be required. Please note these changes and make the necessary preparations to provide the additional information required on the worksheets if applicable to your agency.

All universities, the Golden LEAF, NC Housing Finance Agency, 401(K) Supplemental Retirement Income Plan, Deferred Compensation Plan, and the State Education Assistance Authority are required to submit an electronic file of their formal notes to the financial statements to the OSC by September 29, 2006. The formal notes should be e-mailed to [cafr@ncosc.net](mailto:cafr@ncosc.net)

In addition, all component units of the State of North Carolina that are audited by the Office of the State Auditor will disclose in their letter of representation that their formal financial statements, formal notes to the financial statements, management's discussion and analysis, and required supplementary information (if applicable) prepared in accordance with generally accepted accounting principles (GAAP) will be made available to the Office of the State Auditor by Friday, September 29, 2006.

Component units of the State of NC that are not audited by the Office of the State Auditor are required to have a financial audit for the year end 2006 and to submit their audited financial statements to the OSC by October 13, 2006. Please submit the audit report electronically to our CAFR e-mail address [cafr@ncosc.net](mailto:cafr@ncosc.net) or send a hard copy to our mailing address: 1410 Mail Service Center, Raleigh NC 27699-1410, Attention: CAFR Team, by the October 13, 2006 deadline.

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.

We have committed to provide a statewide accrual file to the Office of the State Auditor by September 15, 2006 and therefore request that you strictly adhere to the accrual closing deadline of August 31, 2006.

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

Attachments

RLP/awg