

# Module 4 – Identifying Risks

## Handout 1 – Material Account Size and Composition

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### Office of State Controller Material Account Size and Composition

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#### BALANCE SHEET

FUND TYPE	CAFR REPORT	CRITERIA
Governmental Funds and Account Groups	CAFR 11G	5% of Total Assets and Other Debits
Fiduciary Funds	CAFR 11F	5% of Total Assets
Proprietary Funds	CAFR 11P	<p>If Capital Assets are material - more than 5% of Total Assets, agency should apply the following criteria:                      5% of (Total Assets less Total Capital Assets (Non-depreciable and Depreciable))                      In addition, the materiality for Capital Assets should be calculated:                      5% of (Total Capital Assets, Non-depreciable plus Total Capital Assets, Depreciable)</p> <p style="text-align: center;"><b>or</b></p> <p>If Capital Assets are immaterial - less than 5% of Total Assets, agency should use the following criteria:                      5% of Total Assets</p>

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#### OPERATING STATEMENT

FUND TYPE	CAFR REPORT	CRITERIA
Governmental Funds	CAFR 52G	The greater of: 5% of Total Revenues <b>or</b> Total Expenditures <i>Note: Exclude Other Financing Sources and Uses from the materiality determination.</i>
Fiduciary Funds	CAFR 54F	The greater of: 5% of Total Additions <b>or</b> Total Deductions
Proprietary Funds	CAFR 53P	The greater of: 5% of Total Revenues including Operating Revenues & Non Operating Revenues <b>or</b> 5% of Total Expenses including Operating Expenses & Non Operating Expenses