



**CCFO Comptroller Training**  
Fiscal Year-End Closing of Accounting Records & Audit Preparation

CTAS Presenter: Rachel Ellington




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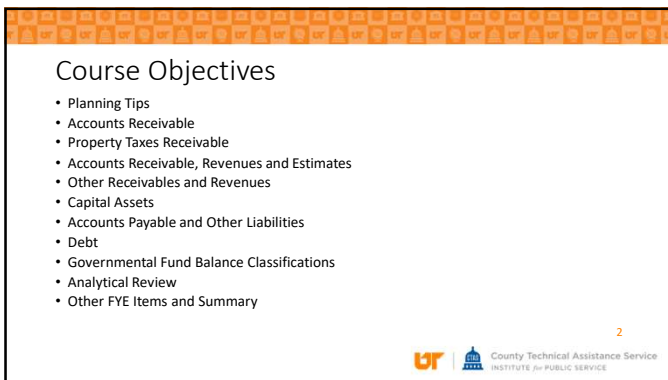
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**Course Objectives**

- Planning Tips
- Accounts Receivable
- Property Taxes Receivable
- Accounts Receivable, Revenues and Estimates
- Other Receivables and Revenues
- Capital Assets
- Accounts Payable and Other Liabilities
- Debt
- Governmental Fund Balance Classifications
- Analytical Review
- Other FYE Items and Summary

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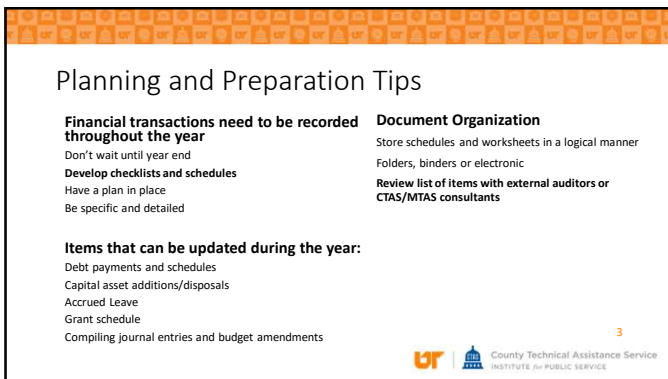
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**Planning and Preparation Tips**



**Financial transactions need to be recorded throughout the year**  
Don't wait until year end

**Develop checklists and schedules**  
Have a plan in place  
Be specific and detailed

**Items that can be updated during the year:**  
Debt payments and schedules  
Capital asset additions/disposals  
Accrued Leave  
Grant schedule  
Compiling journal entries and budget amendments

**Document Organization**  
Store schedules and worksheets in a logical manner  
Folders, binders or electronic

**Review list of items with external auditors or CTAS/MTAS consultants**

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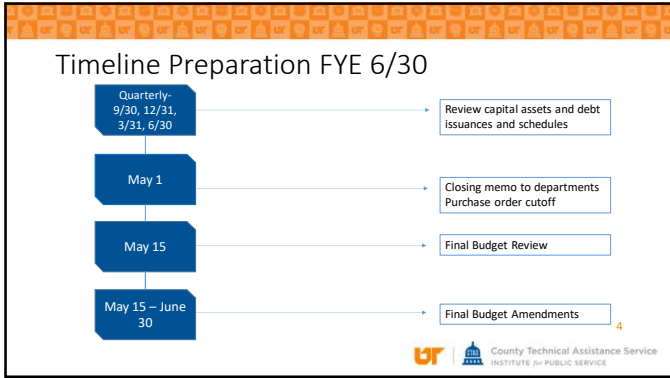
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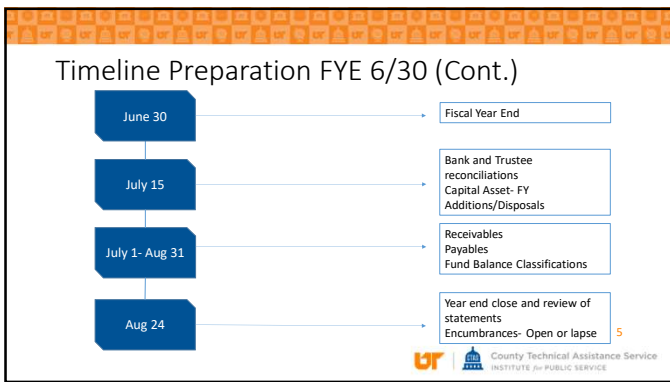
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### Closing Accounting Records

- TCA Section 9-2-102 requires all local governments to have financial **accounting records closed within 60 days after FYE**, or by August 31<sup>st</sup> for government with a FYE June 30<sup>th</sup> to have the following information available for audit:
  - Trial Balances and Internal Financial Statements
  - Property Taxes and Accounts Receivables
  - Capital Assets and Depreciation Schedules
  - Accounts Payable and Other Liabilities
  - Debt Schedules
  - Fund Balance Classifications
  - Schedule of Expenditures of Federal and State Awards (SEFA)

**Note: During the last two weeks of August review all FYE accounting schedules and trace amounts to the preliminary working trial balances and GLs before final close.**

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### Property Taxes Receivable

**Two Methods**  
 Reversing prior year journal entry and recording current year estimated taxes receivable  
 Adjusting prior year receivables for net increase/decrease  
 Work with CTAS/MTAS or auditor to determine best method

**Common Issues**  
 Doubling taxes (not reversing prior year entry)  
 Overbudgeting property tax revenues  
 Calculation Errors



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**A**

101 - General Fund		DR	CR
11500	Property Taxes Receivable	295,801	
11510	Allowance for Uncollectable Property Taxes		100,288
29945	Deferred Delinquent Property Taxes		178,395
40110	Current Property Tax		17,118

To post current year property tax billings and outstanding delinquent property taxes receivable.

101 - General Fund		DR	CR
11500	Property Taxes Receivable	7,019,186	
11510	Allowance for Uncollectable Property Taxes		101,766
29940	Deferred Current Property Taxes		6,917,420

To record subsequent year property taxes receivable based upon the Jan 1<sup>st</sup> lien date.



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### Estimates for FYE Receivables and Revenues

- State Shared Revenues
- Business Tax
- Local Option Sales Tax
- Gas Tax
- Patient Charges- Ambulance Service

**• Why do we need to post two months for receivables?**

- The revenue collected by the State of TN that you earned in the current year will not be sent to you until next fiscal year.
- May collections- Received in July
- June collections- Received in August- May need to Estimate



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General Fund 101					
Accounting Example - Estimate A					
				Debit	Credit
Current Assets	101	11430	Due from Other Governments	\$ 185,000	
Local Taxes	101	40210	Local Option Sales Tax		\$ 185,000
To post Local Option Sales tax for August 2022. Estimate based on August 2021 collections. (\$185,000)					
General Fund 101					
Accounting Example - Estimate B					
				Debit	Credit
Current Assets	101	11430	Due from Other Governments	\$ 200,000	
Local Taxes	101	40210	Local Option Sales Tax		\$ 200,000
To post Local Option Sales tax for August 2022. Estimate based on July 2022 collections. (\$200,000)					

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Sample County, Tennessee General Purpose, Schools Accounts Receivable For the Year Ended June 30, 2021						
Account Receivable	Revenue Account	Per Record	Actual Subsequent Receipt	Difference	Treasurer's Receipt Number	Treasurer's Date
11410 - Accounts Receivable						
Employee Retirement - Apple Refund	21315	\$205.94	\$264.29	(61.05)	9143001	7/25/21
<b>Total 11410</b>		<b>\$205.94</b>	<b>\$264.29</b>	<b>(61.05)</b>		
11410 - Due From Other Governments						
State of Tennessee						
Local Option Sales Tax - May	40210	\$186,538.43	\$186,538.43	\$0.00	7/09/2021	27196
Local Option Sales Tax - June Rec.	40210	\$186,538.43	\$186,463.20	\$75.23	8/20/2021	27645
Mead Drink Tax (Fiscal Year)	40275	\$5.00	\$5.00	\$0.00	7/09/2021	27196
Early Childhood Education State Funds	40515	\$7,489.92	\$7,489.92	\$0.00	8/16/2021	27151
United States						
Payroll 941 - 2021 Quarter 2 Refund	Various	\$10,792.13	\$10,792.13	\$0.00	8/19/2021	27154
800707 - June 2021	47441	\$6,018.56	\$6,018.56	\$0.00	7/02/2021	27114
City of Memphis						
Mead Drink Tax (Fiscal Year 2021) Ref.	40275	\$6,242.22	\$6,242.22	\$0.00	5/26/2021	27127
University of Tennessee						
Education Services - 4th Camp Bus Trip	44170	\$625.05	\$625.05	\$0.00	8/19/2021	27155
<b>Total 11410</b>		<b>\$413,229.41</b>	<b>\$413,553.81</b>	<b>\$324.40</b>		
11441 - Due From Primary Government						
None						
<b>Total 11441</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>		

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## Other Receivables and Revenues

### When to record YE receivables as revenue for governmental funds?

- Revenue must be "earned"
- Legally spendable for current year budgeted expenditures (e.g. use for YE payables)
- Amount can be actual or reasonably estimated
- Period of availability shortly after FYE:  
 Current Property & State Shared Taxes = 30 - 60 Days  
 Reimbursable Fed/State Grants = 6 to 12 Months

Accounts Receivable

Due From Other Governments

Due From Other Funds

Due From Component Units

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### Capital Assets

**Should be an ongoing process (monthly/quarterly or semi-annually)**  
 Check with Finance Director on capitalization policy  
 Add fixed assets that exceed capitalization threshold  
 Tagged and asset information entered  
 Any assets traded/sold/scrapped need to be removed  
 If traded or sold need dollar amount/new asset information

**Where to obtain information:**  
 1. Minutes- County Commission, City Council, BOE, Highway Commission  
 2. Review all "700" object code (capital outlay) expenditures ex. 72710-718  
 3. Vendor invoices – Blue Bird, Ford, Caterpillar, etc.  
 4. Purchase orders issued over the capitalization threshold amount or bid limit  
 5. CY additions to insurance coverage  
 6. Discussion with elected officials and department heads

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### Capital Assets (Cont.)

**What Information should you include?**

Asset #	VIN/Serial Number
Description (Make/Model)	Historical Cost or Donated Value
Manufacturer/Vendor	Estimated Salvage Value (if any)
Purchase Date	Date Placed into Service
Department/Function	Estimated Useful/Depreciable Life- Based upon
Invoice/PO #	Capital Asset Policy
Expenditure Code	

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### Capital Assets (Cont.)

Acq. Date	Description	Asset No.	Dept/Function	Value	Salvage	Method	Years	Vendor	Account Number	Invoice Number
<b>County General</b>										
2/25/2020	2020 Dodge Durango - SC4SDPT11C443	588	Sheriff/Vehicle	31,547.25	1,000.00	SL	5	Columbia C100-56110-718		111127
10/17/2020	2020 Dodge Durango - SC4SDPT11C443	589	Sheriff/Vehicle	32,248.25	1,000.00	SL	5	Columbia C100-56110-718		100952
10/17/2020	2020 Dodge Durango - SC4SDPT11C443	590	Sheriff/Vehicle	32,248.25	1,000.00	SL	5	Columbia C100-56110-718		100951
9/22/2020	2018 Ford Explorer - 3FMSK8KH9DGC218	591	Sheriff/Vehicle	29,700.00	1,000.00	SL	5	Sold Rogers 101-56110-718		91059
3/9/2021	2018 Ford Explorer - 3FMSK8KH9DGC442	592	Sheriff/Vehicle	29,155.00	1,000.00	SL	5	Liquidity SA 101-56110-718		151021
9/16/2020	2018 Ford Focus - 65A Miles	600	Highway/Veh	19,645.66	0.00	SL	40	Rogers Gro 101-60200-402		0517056-01
9/16/2020	2018 Ford Focus - 22 Miles	601	Highway/Veh	11,192.72	0.00	SL	40	Rogers Gro 101-60200-402		0517056-01
12/16/2020	2018 County Health Department Admin	602	County/Bldg and Prop	309,278.68	50,000.00	SL	40	DTM Grant Fund 171 (From CIP)		
7/1/2020	Risner's Mathews Highway Bridge Over	603	Highway/Veh	1,866,199.71	0.00	SL	40	Summers 17 Fund 176 (From CIP)		
1/1/2021	Maintenance Shed 2 (Rebuilt) 283 Meds 1	604	Highway/Veh	40,259.96	25,000.00	SL	20	Vannoy Fund 131 (From CIP)		
<b>Schools</b>										
7/1/2020	2021 Blue Bird - Type C School Bus - 18A	606	School/Vehicle	93,750.00	1,000.00	SL	12	Central Sta 141-72710-729		SC829620
7/1/2020	2021 Blue Bird - Type C School Bus - 18A	607	School/Vehicle	93,750.00	1,000.00	SL	12	Central Sta 141-72710-729		SC829620
7/1/2020	2021 Blue Bird - Type C School Bus - 18A	608	School/Vehicle	93,750.00	1,000.00	SL	12	Central Sta 141-72710-729		SC829620
7/1/2020	2021 Blue Bird - Type C School Bus - 18A	609	School/Vehicle	93,750.00	1,000.00	SL	12	Central Sta 141-72710-729		SC829620
3/9/2021	2022 Blue Bird - Type C School Bus - 18A	610	School/Vehicle	93,750.00	1,000.00	SL	12	Central Sta 141-811-72710-729		SC831320
9/1/2021	2022 Blue Bird - Type C School Bus - 18A	611	School/Vehicle	93,292.00	1,000.00	SL	12	Central Sta 141-811-72710-729		SC866999
Total				3,950,296.66	85,000.00					

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## Accounts Payables and Other Liabilities

Invoices to be paid after FYE for goods and services received before year end.  
Types of Payables

Accounts Payable

Due to Other Funds

Due to Component Units

Payroll Liability Accounts

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Sample County, Tennessee  
County General Fund  
Accounts Payable  
For the Year Ended June 30, 2023

Account Payable/Liability	Expended/Invoice Account	Vendor Invoice Number	Per Record	Actual Subsequent Payment	Difference	Check/Warrant Date	Check/Warrant Number
<b>21100 - Accounts Payable</b>							
210- Medical Services Drug Court Program	53330-306	132	\$16,638.95	\$16,638.95	\$0.00	7/29/2023	306200
TUNSA - Junk Drug Court	53330-309	06352	\$6,507.12	\$6,507.20	(\$0.08)	6/10/2023	306315
TUNSA - Junk Drug Court	53330-309	0981728	\$1,646.67	\$1,646.67	\$0.00	6/9/2023	306247
Junkies Medical Billing - Junk Fees	52100-317	11801	\$9,974.06	\$9,974.06	\$0.00	6/10/2023	306250
Credit Return System - April-June 2020 Collections	52100-317	4651	\$265.20	\$265.20	\$0.00	6/10/2023	306250
Quality Correctional Health Care	54210-307	0561	\$14,448.89	\$14,448.89	\$0.00	6/9/2023	306244
The University of Tennessee - CTF Education	57101-1612020214	777	\$20,434.88	\$20,434.88	\$0.00	6/9/2023	306246
Sample City Chamber of Commerce	50110-509	7	\$1,254.46	\$1,254.46	\$0.00	6/9/2023	306245
<b>Total 21100</b>			<b>\$121,808.63</b>	<b>\$121,808.63</b>	<b>\$0.00</b>		
<b>21100 - Due to Other Funds</b>							
None				\$0.00			
<b>Total 21100</b>				<b>\$0.00</b>	<b>\$0.00</b>		
<b>21100 - Due to State of Tennessee</b>							
State of TN - Division of TDCs	55110-309		\$9,664.94	\$9,664.94	\$0.00	6/9/2023	306239
State of TN - Dept. of Health	55110-309		\$19,168.00	\$19,168.00	\$0.00	6/9/2023	306249
<b>Total 21100</b>			<b>\$28,832.94</b>	<b>\$28,832.94</b>	<b>\$0.00</b>		
<b>Total Payable/Liability</b>			<b>\$150,641.57</b>	<b>\$150,641.57</b>	<b>\$0.00</b>		

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## Other Governmental Fund Liabilities

- **Accrued salaries payable** is salaries owed to employees at FYE but not yet paid (pay period split between two FYs)
- **TCRS/pension employer** contributions payable at FYE but not yet paid
- **If there are Tax Revenue Anticipation Notes (TRANS) outstanding at year-end, they should be classified as an accounts payable**

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### Long-Term Liabilities

- FYE accounting schedules for long-term liabilities will need to be **prepared but not recorded** in governmental funds such as:
  - Vacation Leave (most common)
  - Sick Leave
  - Comp Time Payable
  - Claims and Judgements Payable

**Note:** Consult with your HR department, or personnel policies for changes in benefits that could affect your calculations.

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### Debt

**What info do you need?**

Debt Name Ex. Capital Outlay Note 2022- School Buses

**Governing Body Resolution**

**Debt Issuance Documentation**

**TN Comptroller's Office LGF Debt Obligation Form CT-0253**

Interest Rate

Debt Issued Date

Maturity Date

**Loan Amortization Schedule – Principal and Interest**



**Where can you find this information?**

Minutes

Management inquiry

Bond/Debt Documents

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Sample County, Tennessee  
General Debt Service Fund  
Debt Schedule  
For the Year Ended June 30, 2021

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-20	Paid and/or		Outstanding 6-30-21	Interest Paid
						Issued During Period	Retired During Period		
<b>GOVERNMENTAL ACTIVITIES:</b>									
<b>BONDS PAYABLE</b>									
Health Through General Debt Service Fund	\$ 1,000,000	4.0 to 4.1 %	6-15-05	6-15-20	\$ 325,000.00	\$ 0.00	\$ 40,000.00	\$ 275,000.00	\$ 11,520.00
Library Series 2007	\$ 10,500,000	3.175%	6-15-18	6-1-38	\$ 18,270,000.00	\$ 0.00	\$ 720,000.00	\$ 17,550,000.00	\$ 651,068.75
School GO Series 2018									
<b>Total Bonds Payable</b>					<b>\$ 18,595,000.00</b>	<b>\$ 0.00</b>	<b>\$ 760,000.00</b>	<b>\$ 17,835,000.00</b>	<b>\$ 662,588.75</b>

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Year Ending	Library		School GO		Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2022	62,000	13,000	758,000	616,039	820,000	629,039	1,449,039
2023	66,500	10,000	793,500	548,493	860,000	588,493	1,448,493
2024	71,500	7,000	828,500	538,949	900,000	545,949	1,445,949
2025	75,000	4,000	875,000	497,369	950,000	501,369	1,451,369
2026			915,000	454,318	915,000	454,318	1,369,318
2027			940,000	432,588	940,000	432,588	1,372,588
2028			975,000	394,987	975,000	394,987	1,369,987
2029			1,005,000	365,738	1,005,000	365,738	1,370,738
2030			1,035,000	335,587	1,035,000	335,587	1,370,587
2031			1,065,000	304,538	1,065,000	304,538	1,369,538
2032			1,100,000	272,588	1,100,000	272,588	1,372,588
2033			1,130,000	239,587	1,130,000	239,587	1,369,587
2034			1,170,000	204,275	1,170,000	204,275	1,374,275
2035			1,205,000	167,713	1,205,000	167,713	1,372,713
2036			1,245,000	128,550	1,245,000	128,550	1,373,550
2037			1,285,000	88,087	1,285,000	88,087	1,373,087
2038			1,325,000	44,719	1,325,000	44,719	1,369,719
Total	\$ 275,000	\$ 34,000	\$ 17,650,000	\$ 5,634,125	\$ 17,925,000	\$ 5,698,125	\$ 23,623,125

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### Governmental Fund Balance Classifications

- Non-spendable
- Restricted
- Committed
- Assigned
- Unassigned (only for 101 General Fund & 141 General Purpose School Fund)

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### How to Record a Restricted Fund Balance

General Fund - 101			
Accounting Example - Restricted Fund Balance			
Register of Deeds Data Processing			
	Account	Amount	
Beginning Balance 7/1		\$ 35,000	
Revenues/Increases	43392	\$ 27,000	
Expenditures/Decreases	51600-317	\$ (15,000)	
Ending Balance 6/30		\$ 47,000	Net change from increases and decreases \$ 12,000

Journal Entry Example			
	Debit	Credit	
Fund Balance	101 34510	Restricted for General Government	\$12,000
Fund Balance	101 39000	Unassigned	\$12,000

To record restricted fund balance for Register of Deeds data processing

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## Analytical Review

Monthly, quarterly and yearly reviews  
 Compare differences between expected and reported amounts  
**Use data for trending analysis**  
 Identify adjustments that may need to be made  
**Better understand the reasons for significant dollar amount differences between actual vs. budget and current vs. prior year**  
**Find and correct material errors in recording/classifying transactions**  
 Determine if budget estimates need revising  
 Final step before closing

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Template Name: Standard		Sample Co Finance				User:		User Name	
Created by: LGC		Statement of Expenditures and Encumbrances				Date/Time:		2/2/2009 10:23 AM	
		February 2023						Page 1 of 6	
Fund : 114		Sub-Fund:							
Object	Cost Center	Sub Object	Original Budget/Amendments	Total Budget	YTD Expenditures/Encumbrances	Funds Available	% Used	MTD Actual/Encumbrance	
9600	Libraries								
961		Rentals	(1,000.00)	(1,000.00)	0.00	(1,000.00)	0.00%	0.00	
			0.00		0.00			0.00	
432		Library Books/Media	(12,200.00)	(12,200.00)	14,983.53	2,683.53	121.75%	695.23	
			0.00		0.00			0.00	
435		Office Supplies	(400.00)	(400.00)	0.00	(400.00)	0.00%	0.00	
			0.00		0.00			0.00	
799		Other Capital Outlay	(15,000.00)	(15,000.00)	18,000.00	3,000.00	120.00%	0.00	
			0.00		0.00			0.00	
		<b>Total 9600 Libraries</b>	<b>(28,600.00)</b>	<b>(28,600.00)</b>	<b>32,853.53</b>	<b>4,253.53</b>	<b>114.87 %</b>	<b>695.23</b>	
			<b>0.00</b>		<b>0.00</b>			<b>0.00</b>	

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## Other FYE Items and Summary

1. Have a copy of insurance policies and elected official bond information, salary agreements for the fiscal year
2. Search HR/personnel policy for benefit changes to vacation, sick leave, comp time, etc.
3. **Interfund Receivables (Due From) and Payables (Due To), Operating Transfers In and (Out) must net to \$0**
4. **Record the PY auditor's AJE's and compare your BOY fund balance amounts to your final audited financial statements**
5. Review FYE accounting schedules and compare to Trial Balance
6. BOE's Stabilization Reserve Trust entry for Hybrid TCRS
7. Perform analytical review before close
8. After audit is completed, have a follow meeting with staff to review

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**CTAS Contact Information**

UT Institute for Public Service – County Technical Assistance Service  
 226 Anne Dudley Blvd., Suite 400  
 Nashville, TN 37219  
 615-532-3555  
<https://www.ctas.tennessee.edu/>



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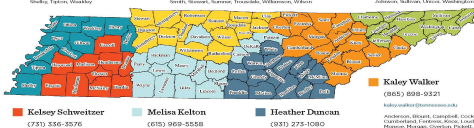
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**County Technical Assistance Service**  
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**County Government Consultants**



<p><b>Miko Galay</b> (731) 534-5489</p> <p><small>Madison, Davidson, Giles, Hickman, Hickory, Johnson, Lincoln, Macon, Madison, Montgomery, Nashville, Shelby, Warren, Williamson</small></p>	<p><b>Wesley Robertson</b> (931) 787-6474</p> <p><small>Franklin, Giles, Hickman, Hickory, Humphreys, Jackson, Madison, Montgomery, Robertson, Rutherford, Smith, Stewart, Warren, Williamson, Williamson, Wilson</small></p>	<p><b>Rick Hall</b> (423) 612-5326</p> <p><small>Craig, DeKalb, Franklin, Hamilton, Hancock, Harpeth, Hickory, Lincoln, Madison, Montgomery, Nashville, Warren, Williamson, Wilson</small></p>
<p><b>Kelsey Schweitzer</b> (731) 536-3576</p> <p><small>Carroll, Chester, Franklin, Giles, Hickman, Hickory, Humphreys, Jackson, Madison, Montgomery, Nashville, Warren, Williamson, Wilson</small></p>	<p><b>Melissa Kelton</b> (615) 968-5588</p> <p><small>Franklin, Giles, Hickman, Hickory, Humphreys, Jackson, Madison, Montgomery, Robertson, Rutherford, Smith, Stewart, Warren, Williamson, Wilson</small></p>	<p><b>Heather Duncan</b> (931) 275-1080</p> <p><small>Franklin, Giles, Hickman, Hickory, Humphreys, Jackson, Madison, Montgomery, Robertson, Rutherford, Smith, Stewart, Warren, Williamson, Wilson</small></p>
<p><b>Kaley Walker</b> (865) 898-0321</p> <p><small>Anderson, Blount, Campbell, Carter, Clay, Davidson, DeKalb, Franklin, Giles, Hickman, Hickory, Humphreys, Jackson, Madison, Montgomery, Nashville, Robertson, Rutherford, Smith, Stewart, Warren, Williamson, Wilson</small></p>		

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