

FISCAL YEAR-END PROCEDURES

AASBO MENTOR MEETING
SEPTEMBER 20, 2022

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Fiscal Year-End

Recording revenues and expenditures in the correct fiscal year is critical to the accuracy of fiscal year end reports and financial statements. Financial reports and statements must be balanced with the necessity to close the fiscal year and open the new fiscal year as quickly as possible. Therefore, reconciling bank statements to the general ledger, reviewing financial reports monthly, and maintaining accurate capital asset inventories throughout the year is important and helps alleviate errors and additional work at fiscal year end.

Year-End Procedures

- **WHERE TO START???**

- Closing Schedule

- Cut-off Purchase Orders
 - Out of County Vendors
 - In County Vendors
- A/P deadlines
 - Final check runs

- Review Outstanding Purchase Orders/Encumbrances

- Record any Receivables

- Receipts due at 9/30/2022

- Record any Payables

- Anything owed by the system at 9/30/22

- Void Old Outstanding Checks



Year-End Procedures (Big Picture Review)

- Run T/B by Fund and by Funding Source
- Verify that Books are in Balance with Appropriate Debit/Credit Balances
- Search for negative balances – Why? - J/E
- Review and Adjust Inventory to actual at 9/30/22 – CNP
- Review and Balance Capital Assets
- Review and Balance Outstanding Debt
- Adjust Capital Projects (Book Contracts Payable)
- Adjust Federal Programs (Accruals)
- Balance Interfund Receivables and Payables
- Balance Transfers In/Transfers Out
- Balance Indirect Costs



Year-End Procedures (Big Picture Review continued)

- Prepare or Run Detail Reports for Receivables, Payables, Capital Assets, etc.
- Review Budget to Actual
- Complete Desk Review for State
 - State Allocations
 - Federal Allocations
 - Supplemental Reports



Madison County Board of Education Fiscal Year-End 2022 Closing Schedule

Final Check Runs to Close FY 2022:

- **Friday, September 30th and**
- **Thursday, October 6th (Date May Vary)**



Federal Programs Checklist:

- Void all outstanding purchase orders by September 30th
- Submit federal program expense vouchers and invoices to Central Office by September 30th to be paid on October 6th
- Verify that program costs do not exceed 10%
- Verify that administrative costs do not exceed allowable percentage
- Prepare ES-2 and reconcile to books at year-end (CSFO, Accounting Supervisor and/or Central Office Personnel)
- Prepare required financial and supplemental reports (CSFO, Accounting Supervisor and/or Central Office Personnel)

Madison County Board of Education

Fiscal Year-End 2022 Closing Schedule

Purchasing/Accounts Payable:

- Research the status of all outstanding purchase orders to be voided or paid
- Submit warehouse delivery tickets dated in September to Business Office by September 30th
- Ensure that materials received on outstanding purchase orders are invoiced by September 30th
- Provide detail of any outstanding invoices not paid by October 6th to accrue at 09/30/22
- Set up purchase order file for October 1, 2022, new fiscal year file

Maintenance/Transportation:

- Ensure that all maintenance/transportation purchase orders have been reviewed for status at fiscal year end. (Do we need to carry over open purchase order?)
- Submit expense vouchers by September 30th to be paid October 6th
- Submit parts and fuel reports for September to the Central Office by (October XX) (date may vary)
- Submit purchasing card receipts dated September 30th or prior

Madison County Board of Education

Fiscal Year-End 2022 Closing Schedule

Payroll/Insurance Checklist:

- Pay all invoices for life insurance / insurance allocations, etc., on September 30th
- Complete all deduction checks by September 30th and enter into system
- Run additional payroll for subs / contract work dated on or before September 30th
- Generate reports for compensated absences at September 30, 2022 for Funds 11 and 12 (Payroll Manager)
- Generate reports for payroll (salary) accruals at September 30, 2022 – NextGen/Harris instructions to follow (Payroll Manager)

Fixed Assets/Capital Assets Checklist:

- Prepare detail listing of
 - Additions for Object Codes 500-599
 - Deletions for Object Codes 500-599
 - Donations
- Enter all capitalized equipment to fixed assets detail by specified date in October
- Prepare detail of construction and construction in progress for real property
- Reconcile additions to general fixed assets with general ledger object codes 500-599
- Reconcile construction contracts to general ledger by specified date in October
- Print detail of real and personal property (capitalized fixed assets only)

Madison County Board of Education

Fiscal Year-End 2022 Closing Schedule

Child Nutrition Program (CNP)

- Inventory commodities and purchased food on September 30th, and submit by October 4th (CNP Supervisor)
- Complete and file USDA reimbursement by October 4th (CNP Supervisor)
- Invoice schools for daycare snacks by September 30th
- Calculate and pay fringe benefits (for pass-thru from General Fund)
- Pay CNP expense vouchers and invoices dated in September by October 6th (Accounts Payable)
- Pay indirect cost on October 6th (Accounts Payable)
- Upload all deposits by October 5th
- Submit After School Snack Receivable by designated date
- Submit Commodity Spreadsheet by designated date
- Submit interest from bank statement by designated date
- Analyze and prepare journal entries for Over/Short by designated date
- Balance Deferred Revenue by designated date (PAYPAMS, etc.)
- Submit PAMS PAYMENT journal entries by designated date
- Bank account reconciled to general ledger by designated date
- Submit Detail Return Check Listing by designated date
- Submit Detailed Outstanding PAMS Listing by designated date



Madison County Board of Education

Fiscal Year-End 2022 Closing Schedule

Local School Accounting Checklist: (Central Office Staff)

- Ensure all local school invoices have been paid before closing September books including Day Care Snack invoices
- Obtain bank verification for balances on investments (certificates of deposit) and post interest earned to books before closing
- Download all LSA financial reports by October 13th (print extra copy of September reports for State Examiners or private auditor)
- Submit all checks for deposit to the Central Office by October 3rd (payroll, local schools, other outside sources)
- List all LSA 2021-2022 prior year adjustments
- List all LSA loans (interfund and bank loans)
- Provide bank confirmations for balances on bank loans
- Prepare accrued interest on investments and loans as provided from banks as of September 30, 2022
- Obtain SAFE certificates from banks at September 30, 2022
- Prepare FY 2022 Schedule of Debt for local school bank loans

Local School Fiscal Year-End Checklist



- Establish a cutoff date for Issuing Purchase Orders in September
- Review all Open Purchase Orders in September
- Review all Activities – consider negative balances
- Clear out any J/E's in Process
- Redeposit all change cash unless unavoidable due to ongoing sporting events
 - Run a Balance Sheet Report to show if you have Change Cash out before you start to close
- Review for any open invoices
 - Run a Balance Sheet Report to see if any liabilities are showing on your books and if so, you either have an interfund loan or open invoices (interfund loan is okay but no open invoices should be showing)
- Follow up on all outstanding checks to see why they have not cleared the bank.
 - Remember if you need to void a check from this fiscal year after the fiscal year is closed you will need to follow a different procedure (it is simpler to void before the fiscal year close)
- Collect all Teacher Receipt cards on September 30th; reissue new ones on October 1st or specified date
- Reconcile all fundraisers
- Post interest to include Checking, Savings, and CD accounts
- Pay special attention to the fixed asset report (journal entry listing for object code 500's)
 - Verify that all entries are posted to the correct journal number and that all journal entries have been posted
- All checks issued to the Madison County Board of Education must be received on or before October 1, 2022

THOSE WITH ALLOCATION TRACKING MUST ALSO CLOSE AND RECONCILE ALLOCATION TRACKING.

Madison County Board of Education

Capital Assets Workpaper

September 30, 2021

	Balance 10/1/2020	Additions/ Reclassifications/ Adjustments	Deletions/ Reclassifications/ Adjustments	Balance 9/30/2021
Capital Assets:				
Land	6,190,840.36		-	6,190,840.36
Land Improvements	6,970,375.14		-	6,970,375.14
Buildings	248,459,789.93	25,995,295.93		274,455,085.86
Building Improvements	82,899,600.46	1,488,139.22	-	84,387,739.68
Vehicles	21,877,159.14	2,110,466.00	1,290,981.67	22,696,643.47
Equipment and Furniture	10,047,435.22	175,173.95	340,873.22	9,881,735.95
Construction in Progress	30,369,118.94	5,489,765.68	26,602,765.93	9,256,118.69
Total	406,814,319.19	35,258,840.78	28,234,620.82	413,838,539.15

Capital Outlay - Real Property	6,370,434.90		
Capital Outlay - Personal Property	2,285,639.95		
Reclassification of completed projects to Buildings, and Building Improvements	26,602,765.93	26,602,765.93	
Deletions (Personal Property)		1,631,854.89	
Total	35,258,840.78	28,234,620.82	

Madison County Board of Education

Long-Term Debt as of September 30, 2021

	Debt Outstanding 10/1/2020	Issued/ Increased	Repaid/ Decreased	Debt Outstanding 9/30/2021
<u>Governmental Activities</u>				
Warrants and Notes Payable:				
Refunding Tax Anticipation Warrants				
Series 2013	9,255,000.00		545,000.00	8,710,000.00
Capital Outlay and Refunding Tax Anticipation Warrants:				
Series 2012-A Pool Warrant	764,428.10		293,958.82	470,469.28
* Series 2013-B Pool Warrant	24,250,000.00		400,000.00	1,255,000.00
State BRAC Bond Refunded by 2020-C			22,595,000.00	
Series 2020-C Pool Warrant		25,460,000.00	667,500.00	24,792,500.00
Series 2014	10,045,000.00		1,480,000.00	8,565,000.00
Series 2016	38,765,000.00		1,110,000.00	37,655,000.00
Series 2019-A	26,880,000.00		190,000.00	26,690,000.00
Series 2019-B	23,290,000.00		180,000.00	23,110,000.00
Series 2019-C	6,725,000.00		1,400,000.00	5,325,000.00
Sub-Total Warrants Pay:	139,974,428.10	25,460,000.00	28,861,458.82	136,572,969.28
Custodial Receipts - Ph I:				
Series 2013-A and 2013-B	11,235,000.00		500,000.00	10,735,000.00
Bonds and Leases - Ph II:				
QECB Financing	5,647,153.00			5,647,153.00
^ Tax Exempt Lease	7,389,981.18	250,720.70	437,354.24	7,203,347.64
Long-Term Notes Payable	1,212,907.80		273,705.36	939,202.44
Note - PowerSouth (ADECA)	195,833.09		50,000.04	145,833.05
Governmental Activities Long-Term Liabilities	165,655,303.17	25,710,720.70	30,122,518.46	161,243,505.41

NOTE:

- * The State partially refinanced the 2013-B BRAC Bonds and restructured them with new Series 2020-C Pool Warrants
- ^ The Madison Co. Bd. Of Ed. refinanced the Tax Exempt Lease (Schneider Project Phase II) by going from a high to low rate.
(The \$250,720.70 is refinancing costs included in the transaction).

TOTAL PRINCIPAL EXPENDITURES - \$7,527,518.46 (\$30,122,518.46 LESS \$22,595,000.00)

FY 2022 Schedule of Debt

Original Amount	Year Borrowed	Anticipated Date of Liquidation	FY2021 Principal Paid	FY2021 Interest Paid	Balance remaining as of 9/30/21	Revenue and Fund Source used for payment	Description/Purpose of Debt	Lender	Interest Rate
4,470,104.00	2012	2025	293,958.82	29,221.87	470,469.28	PSF Leverage Funds	Elementary School Additions	Warrants	3.00-5.00
12,400,000.00	2013	2034	545,000.00	267,712.52	8,710,000.00	1/2 Cent Sales Tax	Refunding Bond Issue	Warrants	2.00-3.375
53,625,000.00	2013	2028	400,000.00	82,750.00	1,255,000.00	PSF Leverage Funds	BRAC Bonds - New School(s)	Warrants	4.00-5.00
13,415,000.00	2013	2034	500,000.00	436,967.50	10,735,000.00	Energy Cost Savings	Schneider Energy Enhancements/QECB & Lease Purchase/PH I		
14,876,060.00	2013	2035	437,354.24	629,226.32	12,850,500.64	Energy Cost Savings	Schneider Energy Enhancements/QECB & Lease Purchase/PH II		
18,750,000.00	2014	2026	1,480,000.00	429,050.00	8,565,000.00	1 Cent Sales Tax	Refunding & HGHS Mechanical	Warrants	2.00-5.00
41,205,000.00	2016	2034	1,110,000.00	1,666,137.50	37,655,000.00	1 Cent Sales Tax	Refunding & Capital	Warrants	2.00-5.00
500,000.00	2014	2024	50,000.04	-	145,833.05	Energy Loan	Schneider Energy Enhancements	PowerSouth	Interest Free
27,185,000.00	2019 A	2041	190,000.00	822,312.52	26,690,000.00	6.5 Mill Ad Valorem	Refunding & Capital	Warrants	1.625-3.25
23,495,000.00	2019 B	2041	180,000.00	726,881.28	23,110,000.00	1/2 Cent Sales Tax	Refunding & Capital	Warrants	1.75-3.375
6,725,000.00	2019 C	2025	1,400,000.00	262,900.00	5,325,000.00	6.5 Mill Ad Valorem	Refunding & Capital	Warrants	5.00-4.00
25,460,000.00	2020-C	2035	667,500.00	235,062.68	24,792,500.00	PSF Leverage Funds	BRAC Bonds - New School(s)	Warrants	State Partial
Local School Loans:									Refund
-	See Attached	See Attached	273,705.36	44,773.24	939,202.44	TVA/Local School Funds	Athletic Facilities	Local Bank Notes	3.75-6.25
242,106,164.00			7,527,518.46	5,632,995.43	161,243,505.41				

Local School Bank Loans 09/30/21

Schools	Debt Outstanding 10/1/2020	Issued/ Increased	Repaid/ Decreased	Debt Outstanding 9/30/2021
Buckhorn High School	256,628.15		30,659.82	225,968.33
Hazel Green High School	3,140.45		3,140.45	-
Hazel Green High School	26,190.60		6,087.03	20,103.57
Hazel Green High School	17,737.94		5,585.49	12,152.45
Hazel Green High School	425,407.28		83,833.21	341,574.07
Madison County High School	163,235.00		83,729.78	79,505.22
New Hope High School	209,676.29		31,314.22	178,362.07
Sparkman High School	21,216.27		21,216.27	-
Sparkman High School	89,675.82		8,139.09	81,536.73
TOTAL	1,212,907.80	-	273,705.36	939,202.44

STATE OF ALABAMA
DEPARTMENT OF EDUCATION
LEA Financial System
Combined Balance Sheet -- All Fund Types and Account Groups
For Fiscal Year Ended September 30, 2021

Exhibit F-I-A

045 - Madison County Schools

Description	GOVERNMENTAL			Capital Projects	PROPRIETARY	FIDUCIARY	ACCOUNT GROUPS F/A L/T Dept
	General	Special Revenue	Debt Service		Enterp/ Internal	Trust Agency	
Assets and Other Debits:							
Assets:							
Cash	\$36,863,635.62	\$5,520,118.00	\$0.00	\$10,287,192.81	\$0.00	\$8,764,326.31	\$0.00
Investments	\$540,074.13	\$0.00	\$2,747,215.99	\$803,925.54	\$0.00	\$99,573.97	\$0.00
Receivables	\$5,878,539.31	\$3,383,746.63	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interfund Receivables	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$0.00	\$0.00	\$0.00
Inventories	\$0.00	\$523,767.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Assets							
Fixed Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$404,582,420.46
Construction In Progress	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,256,118.69
Other Debits:							
Amounts Available							
Amounts to be Provided	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$161,243,505.41
Other Debits							
Total Assets and Other Debits:	\$43,282,249.06	\$9,427,631.64	\$2,747,215.99	\$12,091,118.35	\$0.00	\$8,863,900.28	\$575,082,044.56
Liabilities and Fund Equity:							
Liabilities:							
Claims Payable	\$135,273.65	\$97,885.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interfund Payable	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Liabilities	\$799,756.37	\$307,647.82	\$0.00	\$48,802.79	\$0.00	\$7,047,522.72	\$0.00
Long-Term Liabilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$161,243,505.41
Total Liabilities:	\$1,935,030.02	\$405,533.32	\$0.00	\$48,802.79	\$0.00	\$7,047,522.72	\$161,243,505.41
Fund Equity:							
Investments in General Fixed Assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$413,838,539.15
Contributed Capital							
Reserved Fund Balance	\$3,087,088.27	\$964,346.60	\$2,747,215.99	\$12,019,886.85	\$0.00	\$148,408.18	\$0.00
Unreserved Fund balance	\$38,260,130.77	\$8,057,751.72	\$0.00	\$22,428.71	\$0.00	\$1,667,969.38	\$0.00
Total Fund Equity:	\$41,347,219.04	\$9,022,098.32	\$2,747,215.99	\$12,042,315.56	\$0.00	\$1,816,377.56	\$413,838,539.15
Total Liabilities and Fund Equity:	\$43,282,249.06	\$9,427,631.64	\$2,747,215.99	\$12,091,118.35	\$0.00	\$8,863,900.28	\$575,082,044.56

STATE OF ALABAMA
DEPARTMENT OF EDUCATION
LEA Financial System

Exhibit F-II-A

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For Fiscal Year Ended September 30, 2021**

045 - Madison County Schools

	GOVERNMENTAL			FIDUCIARY		
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Total
Revenues						
State Sources	\$125,971,745.17	\$60,500.00	\$0.00	\$7,412,332.72	\$0.00	\$133,444,577.89
Federal Sources	\$465,399.53	\$24,136,056.43	\$0.00	\$0.00	\$0.00	\$24,601,455.96
Local Sources	\$59,698,628.01	\$5,620,913.42	\$286.32	\$2,833,218.76	\$2,313,634.11	\$70,466,680.62
Other Sources	\$310,266.63	\$60,291.08	\$0.00	\$0.00	\$1,000.00	\$371,557.71
Total Revenues:	\$186,446,039.34	\$29,877,760.93	\$286.32	\$10,245,551.48	\$2,314,634.11	\$228,884,272.18
Expenditures						
Instructional Services	\$99,066,150.14	\$13,812,709.32	\$0.00	\$0.00	\$422,922.16	\$113,301,781.62
Instructional Support Services	\$29,034,864.60	\$4,607,136.63	\$0.00	\$0.00	\$838,107.18	\$34,480,108.41
Operation & Maintenance Services	\$14,577,857.40	\$1,541,308.57	\$0.00	\$0.00	\$91,994.11	\$16,211,160.08
Auxiliary Services	\$10,700,087.55	\$2,663,873.40	\$0.00	\$1,005,928.00	\$38,208.80	\$14,408,097.75
General Administrative Services	\$4,441,387.14	\$477,416.54	\$0.00	\$45,057.00	\$0.00	\$4,963,860.68
Capital Outlay	\$0.00	\$95,736.37	\$0.00	\$6,231,679.40	\$43,019.13	\$6,370,434.90
Debt Service	\$1,435,312.72	\$318,478.60	\$10,506,523.85	\$4,015,919.42	\$0.00	\$16,276,234.59
Other Expenditures	\$3,317,106.38	\$11,777,479.62	\$0.00	\$0.00	\$322,994.97	\$15,417,580.97
Total Expenditures:	\$162,572,765.93	\$35,294,139.05	\$10,506,523.85	\$11,298,583.82	\$1,757,246.35	\$221,429,259.00
Other Fund Sources (Uses)						
Other Fund Sources:	\$926,569.96	\$9,553,593.24	\$10,515,555.53	\$4,667,252.48	\$42,459.14	\$25,705,430.35
Other Fund Uses:	\$14,737,084.91	\$1,484,283.78	\$0.00	\$5,095,100.57	\$344,221.88	\$21,660,691.14
Total Other Fund Sources (Uses):	(\$13,810,514.95)	\$8,069,309.46	\$10,515,555.53	(\$427,848.09)	(\$301,762.74)	\$4,044,739.21
Excess Revenues and Other Sources Over (Under) Expenditures and Other Fund Uses:	\$10,062,758.46	\$2,652,931.34	\$9,318.00	(\$1,480,880.43)	\$255,625.02	\$11,499,752.39
Beginning Fund Balance - October 1:	\$31,284,460.58	\$6,369,166.98	\$2,737,897.99	\$13,523,195.99	\$1,560,752.54	\$55,475,474.08
Ending Fund Balance - September 30:	\$41,347,219.04	\$9,022,098.32	\$2,747,215.99	\$12,042,315.56	\$1,816,377.56	\$66,975,226.47

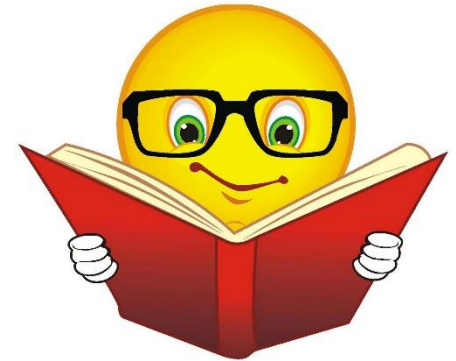
Local School Accounting Records Getting Ready for Auditors/Examiners

- Classroom Instructional Support (CIS) files are in order
- Voting records
- All purchase orders are signed and dated.
- All checks have correct supporting documentation (i.e. original invoice, original receipt, etc.)
- Travel reimbursements have supporting documentation (copy of agenda, copy of registration, etc.)
- All gate receipts/ticket sales are reconciled and documented.
- All fundraisers are balanced and reconciled.
- Monthly files are in good order (Receipts, Disbursements, and Bank Reconciliations).
- All Non-Public Funds should have positive balance (no deficit balances)

Fiscal Year End Additional Reports (Auditor's Reports)

Request an additional copy of the following reports for the Central Office:

- Bank Statement (signed by Principal)
- Bank Reconciliation with Journal entries (signed by Principal)
- Principal's Activity Reports
- Balance Sheet & Operations Report
- Monthly Financial Report (signed by Principal)
- Open PO Report by PO number
- Copy of all NON-PUBLIC Activities (Detailed Report periods 1-12)
- SAFE Certificate
- Copy of Leases
- PTA/PTO GASB Memo (To PTA/PTO Treasurers)





**THE PESSIMIST COMPLAINS ABOUT THE WIND.
THE OPTIMIST EXPECTS IT TO CHANGE.
THE LEADER ADJUSTS
THE SAILS.**

JOHN C. MAXWELL

Questions?

