

CABELL COUNTY
END OF YEAR ACCOUNTING PROCEDURES - 2017

Policies

The County Clerk prepares the year-end financial statements.

The County Clerk is responsible for preparing for the annual financial audit and for working with the outside accountants to complete the audit.

The reconciliation clerk within the Sheriff's department prepares the reconciliation. The Accounting Department within the County Clerk's office and the County Commission Office reviews the reconciliations. The County Clerk's office (accounting department) prepares and reviews related journal entries.

The County Commission approves the financial statements.

The County Clerk will arrange to move all records from the year which is closing to storage. Records are maintained for ten years per State Record Retention Policy.

Cash and Cash Equivalent Accounts are analyzed and reconciled on a regular basis; and all required year-end adjustments to the cash and cash equivalent accounts are completed in a timely manner, and reviewed and approved by management, so that year-end financial statements can be accurately prepared in accordance with generally accepted accounting principles.

Procedures

Matching of Revenues and Expenses

In order to present accurate and consistent financial statements, the revenues and expenses attributable to each period will be reflected in that period to the degree possible. The Chapters on month and year end procedures review this in greater detail. Generally, all entries required to accurately reflect the revenues and expenses of each period will be made in that period.

The organization records transactions on the accrual basis of accounting.

Fixed Assets and Depreciation

The general capitalization policy is that all equipment and other fixed assets costing in excess of \$5,000 will be recorded as an asset. To determine if a repair or improvement will need to be capitalized, the following additional factor needs to be considered: does the expenditure extend the useful life of the asset repaired or improved? For example painting would not be capitalized, but replacing the boiler or repairing the roof would be capitalized, if the dollar value was in excess of \$5,000.

All capital assets will be depreciated over their estimated useful lives. The straight line basis will be used, with depreciation charged beginning in the month that the asset is placed in service. Some sample estimated lives are:

End of Year Accounting Procedure
Page Two

Computers and related equipment – 3 years
Office furniture – 5 years
Building and building improvements – 40 years
Parking lot and landscaping – 10 years

All capital assets purchased with grant or other restricted funds will be cataloged.

Donated Materials and Services

Generally donated materials, assets and services will not be recorded in the accounting records.

In order to comply with the rules of SFAS 116, certain services would be recorded as revenues and expenses. Such services would be those professional services which we would otherwise have paid for which were provided by a person whose work would normally include providing those services.

Any donated assets which would meet the definition to be capitalized, outlined in Section 3.23, will be recorded as revenue and as a fixed asset.

Data Cutoff

In order to meet the deadlines for producing reports discussed in Section 7 & 8, the gathering of information to use in making the month end entries must be cutoff by a certain date.

The monthly financial statements are due to the Commission by three weeks after the month end. For these reports a cutoff of two weeks will be used. Any payables or other information not available by two weeks after a month end will be classified in the next period.

The year-end financial statements are due to the Commission by July 25. For these reports a cutoff of three weeks will be used. Since the year end is the most important period cutoff, the general ledger may be reopened for additional material transactions through the conclusion of the financial audit fieldwork.

All Employees involved in the process will sign a document stating they have read and will follow this procedure.

The County Commission currently reviews the Financial Statement and Orders the document be made a part of the minutes. The Commission will continue to review the Financial Statement and Order the document be made part of the minutes.

End of Year Accounting Procedures
Page Three

All employees involved will sign a document stating they have received, reviewed and will follow this policy and procedure.

Debt and Debt Service Accounts

Debt and Debt Service Accounts financial statements (including financial data for the general fund and special revenue, capital projects, debt service, and permanent funds) will be prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary fund financial statements (including financial data for enterprise and internal service funds) and fiduciary fund financial statements (including financial data for fiduciary funds and similar component units) will be prepared using the economic resources measurement focus and the accrual basis of accounting.

Notes to the financial statements consist of notes that provide information that is essential to a user's understanding of the basic financial statements.

Year End Closing Process

- A. A closing checklist will be used to ensure that all required year-end account reconciliations have been prepared and that the related adjustments have been recorded in the general ledger before the financial statements are prepared.
- B. The Sheriff's Department (tax office) will be responsible for the preparation of the reconciliations and the County Clerk's office (Accounting Department) will be responsible for adjustments.
- C. The County Clerk's office and County Commission office will be responsible for the review and approval of the reconciliations and adjustments.
- D. The County Clerk's office (Accounting) will be responsible to ensure that the debt and debt service accounts are properly classified in the year-end financial statements; and that year-end financial statements, including footnote disclosures, are prepared in accordance with generally accepted accounting principles.

Cash and Cash Equivalent Accounts

All balance sheet accounts will be reconciled monthly to help ensure that accurate statements are provided to the County Commission. Specifically, the analysis and reconciliation of all cash and cash equivalent accounts shall be maintained and reconciled within the Sheriff's tax office. After reconciliation, the accounting department within the County Clerk's office shall review the reconciliations. The accounts shall then be submitted to the County Commission for approval.

The County Clerk shall prepare the year-end financial statements and the County Commission shall approve the financial statements. There shall be review from an outside actuarial firm, an outside auditing firm, County Clerk's office, and the County Commission office to ensure that the cash and cash equivalent accounts are properly classified in the year-end financial statements.

Adopted – March 23, 2017

Updated – August 24, 2017

Reapproved – August 24, 2017