

Fall District Meeting

Indiana League of Municipal Clerks & Treasurers
October 2018

End of Year Duties



- **Annual Financial Report - Gateway**
- **Form 100-R - Gateway**
- **Annual Uploads - Gateway**
- **Appropriation Transfers**
- **Encumbered Appropriations**
- **Cancellation of Warrants**
- **Names & Addresses to County Treasurer**
- **Local Road & Street Annual Operational Report**



Annual Financial Report – Gateway



- Required by IC 5-11-1-4
- Due 60 days after end of year
* **March 1, 2019** *
- No Major Changes to the Reporting / Gateway



Annual Financial Report – Miscellaneous



Capital Assets

- Report asset amounts as of December 31st
- Make sure your Capital Asset Register is updated through year end

Government or Enterprise	Land	Infrastructure	Building	Improvements Other Than Buildings	Machinery, Equipment, and Vehicles	Construction In Progress	Books and Other
Governmental Activities	\$1,821,951.43	\$1,591,230.56	\$25,348,431.14	\$0.00	\$10,215,952.10	\$0.00	\$1,395,170.62
STORM WATER (Storm Water Utility)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WASTEWATER (Wastewater Utility)	\$196,503.00	\$4,280,304.73	\$16,088,540.45	\$0.00	\$1,593,720.18	\$0.00	\$809,021.11
WATER (Water Utility)	\$288,119.16	\$1,435,930.23	\$3,874,985.08	\$0.00	\$721,852.70	\$0.00	\$624,896.30

Annual Financial Report – Miscellaneous



Debt Schedule

- Report debt amounts as of December 31st
 - Debt Classification (revenue bonds, general obligations, etc.)
 - Description of Debt
 - Ending Principal Balance @ 12/31/18
 - Principal and Interest Due in 2019

Governmental Activities				
Delete	Debt Class	Description or Purpose	Ending Principal Balance as of Dec. 31, 2017	Principal and Interest Due in 2018
X	Revenue Bonds	Econ Redev. Special Revenue Tax Bonds Series 2013A \$2,580,000 at Wynne Farms	\$2,240,000.00	\$184,550.00
X	General Obligation Bonds	2015 GO Bond-Mixed Use Development	\$1,820,000.00	\$228,300.00
X	General Obligation Bonds	2016 GO Bond-WWTP	\$2,000,000.00	\$234,600.00

Annual Financial Report – Miscellaneous



Accounts Payable/Receivable

- Report Accounts Payable at December 31
- Report Accounts Receivable at December 31

Accounts Payable/Receivable ?

Please enter the total dollar amount of your Accounts Payable and Accounts Receivable for

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental Activities	\$3,367.08	\$0.00
STORM WATER (Storm Water Utility)	\$0.00	\$0.00
WASTEWATER (Wastewater Utility)	\$0.00	\$32,110.38
WATER (Water Utility)	\$0.00	\$13,982.96

Annual Financial Report – Miscellaneous



Financial Assistance to Non Governmental Entities

- Answer “yes” on Unit Questions
- Enter information of financial assistance given to non governmental entities
 - ✓ Volunteer Fire Departments
 - ✓ YMCA
 - ✓ Youth Leagues
 - ✓ Senior Citizen Center

Delete	Name	Federal Tax ID ##-####	Street Address	Suite No.	City	State Abr.
X	Council for Economic Development	35-1854127	One Courthouse Plaza		Greenfield	In
X	Boys & Girls Club	35-0979327	715 E Lincoln Street		Greenfield	In
X	Hancock County Senior Services	31-0938007	312 E Main Street		Greenfield	In
X	Sister City of Greenfield Inc	35-2068418	110 S State Street		Greenfield	In
X	Kenneth Butler Soup Kitchen	80-0321185	202 E Main Street		Greenfield	In

FINANCIAL ASSISTANCE TO NON-GOVERNMENTAL ENTITIES

Cities and towns providing financial assistance to non-governmental entities are required to notify those entities annually in writing the following information:

1. The Entity Annual Report (E-1) filing requirement established by IC 5-11-1-4 and the audit requirement established by IC 5-11-1-9;
2. The source(s) of the funding provided;
 - a. Local and/or state funds (in the case of subsidies, contributions, or general aid);
 - b. Federal grants passed through including the formal name of the program and CFDA number, or
 - c. Fee for service arrangements.
3. The State Board of Accounts may request documentation to support the categorization of the financial assistance;
4. The E-1 is not to be confused with the Secretary of State's Business Entity report; and
5. The entity may obtain additional information from the State Board of Accounts at notforprofit@sboa.in.gov.

Furthermore, this financial assistance provided is to be reported by the city or town on the Annual Financial Report via Gateway.

"Entity" is defined in IC 5-11-1-16 as "any provider of goods, services, or other benefits that is:

- (1) maintained in whole or in part at public expense; or
- (2) supported in whole or in part by appropriations or public funds or by taxation."

This includes for-profit and not-for-profit corporations, unincorporated associations, organizations, individuals, etc. Examples of non-governmental entities are volunteer fire departments, a local YMCA, youth leagues, senior citizen centers, 4-H clubs, daycare centers, health service organizations, emergency medical service organizations, community centers, historical societies, etc.

Financial assistance to non-governmental entities is defined as payments received in the form of grants (whether from local, state, or federal sources), subsidies, contributions as permitted by statute, aid, or other agreements. For more information on what constitutes financial assistance, please refer to the State Board of Accounts' *Uniform Compliance Guidelines for Examinations of Entities Receiving Financial Assistance from Governmental Sources* found on the State Board of Accounts' website at www.in.gov/sboa under Private Examiner Audits/Non-Governmental Entities Receiving Governmental Assistance/Uniform Compliance Guidelines.

Each non-governmental entity receiving financial assistance from governmental units is required to submit a Gateway financial report, the E-1, in accordance with IC 5-11-1-4(a). Information requested includes the source and use of financial assistance provided by governmental units. The entity is subject to a State Board of Accounts audit in accordance with IC 5-11-1-9 if certain funding thresholds are met.



Annual Financial Report – Miscellaneous

**Items to Include in AFR:**

- SRF / Bank of New York transactions
 - ✓ These are financial transactions of your city/town
 - ✓ Should be reported on your ledgers
 - ✓ Consequently reported on the AFR



Annual Financial Report – Miscellaneous

**Items *Not* to Include in AFR:**

- Redevelopment Authorities
 - Separate entity per IC 36-7-14.5-7
 - Subject to SBOA audit [IC 36-7-14.5-7(c)(1)]
 - Should be reported separately, not on city/town AFR
 - Accounting & Financial Reporting Regulation Manual – Part III
“No funds from outside organizations associated with the entity shall be included.”
 - Not to be confused with Redevelopment Commissions – which are a department of a city/town.

Annual Financial Report – Miscellaneous

**Items *Not* to Include in AFR:**

- Redevelopment Authorities (continued)
 - If you have a RDA, please provide the following information:
 - ✓ RDA Legal Name
 - ✓ Street Address, City, and Zip
 - ✓ County Name
 - ✓ Contact Person
 - ✓ Phone & Email for Contact Person
 - ✓ Copy of Ordinance Creating the RDA

Form 100-R – Certified Report of Names, Duties,
& Compensation

- **Required by IC 5-11-13-1**
- **Due during the month of January for the preceding year**
* *January 31, 2019* *
- **No Changes to the Reporting**

Unit Questions	Status
Employee Data Entry	Complete
Personnel Policy Upload	100 Rows Entered
Contracting Policy Upload	Not Uploaded
100R Report Outputs	Available
Submit 100R	Not Submitted

The Indiana Gateway for Government Units provides a central portal for local governments to submit forms to the State Board of Accounts. It is managed by the Indiana Business Research Center, a part of the Indiana State Board of Accounts.

POWERED BY
SUNSHINE INDIANA

Annual Uploads in Gateway



Bank Statement

- December 2018 statement
- For each bank account you have
- Does not require images of checks
- No reconciliation here – it will be with the monthly uploads

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Annual Uploads in Gateway



Outstanding Checklist

- Detailed list
- Checks written but not cleared bank
- Total should agree to amount on the reconciliation
- Include
 - ✓ check date
 - ✓ check number
 - ✓ check amount

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Annual Uploads in Gateway



Investment Statement

- Similar to checking account statement
- December 2018 account statement
- For all investment accounts

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Annual Uploads in Gateway



Detail of Receipt Activity

- Does not apply if hand-posted records
- Listing of all receipts issued and posted during the year
- Most systems have a “history” function that should provide this information
- May need to contact your vendor
- Include receipt numbers

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Annual Uploads in Gateway



Detail of Disbursement Activity

- Does not apply if hand-posted records
- Listing of all non-payroll disbursements issued and posted during the year
- Most systems have a “history” function that should provide this information
- May need to contact your vendor
- Include check numbers & vendor names

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Annual Uploads in Gateway



Employee Earnings Record

- Does not apply if hand-posted records
- Listing of all payroll checks issued by employee
- Most systems have a “history” function that should provide this information
- May need to contact your vendor
- Include check numbers & employee names

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Annual Uploads in Gateway



Current Year Salary Ordinance

- Scan & upload 2018 salary ordinance(s) in effect at end of year
- Used to do this in Risk Assessment; no longer required there

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Annual Uploads in Gateway



Vendor History Report

- Does not apply if hand-posted records
- Detailed listing of all vendors to whom checks were issued during the year
- Should show a total by vendor
- Most systems have a “history” function that should provide this information
- May need to contact your vendor

Annual

Year End Bank Statement
 Year End Outstanding Checklist
 Year End Investment Statements
 Detail of receipt activity
 Detail of disbursement activity
 Annual employee earnings record
 Current Year Salary Ordinance
 Annual Vendor History Report

Appropriation Transfers



Indiana Code 6-1.1-18-6: Transfers of appropriations

Transfers from one major budget classification to another within a department or office if:

- It is determined that the transfer is necessary;
- The transfer does not require the expenditure of more money than the total amount set out in the budget;
- The transfer is made at a regular public meeting and by proper ordinance **or resolution**.
- Such a transfer can be made without notice and without approval of DLGF

Encumbrances



Encumbered Appropriations:

Those items under purchase order or contract are to be added for each appropriation account and the total carried to the new 2017 corresponding account.



The actual unpaid amount of the purchase orders or contracts should be totaled and shown as a separate amount on the appropriation ledger for 2017 (with proper explanation) and added to the 2017 appropriation for the same purpose.

Encumbrances



Encumbered Appropriations:

By carrying out this procedure, the 2019 budget will not be excepted to stand any expense not anticipated in making the budget.

We recommend:

- *the proper city/town officials make a listing of these encumbered items*
- *make it a part of their minutes in their last business meeting of the year*



Encumbrances



The appropriations encumbered and carried forward can be used for no other purpose other than the purchase order or contract for which they were appropriated.

Cancellation of Warrants



Indiana Code 5-11-10.5: Cancellation of Warrants

Old Outstanding Checks

- All checks outstanding and unpaid for a period 2 years as of December 31 of each year shall be declared cancelled.

Example – At December 31, 2018;

- Check #1234 was written on February 27, 2016 and has not cleared the bank and is on the outstanding check list. At 12/31/18, it would be considered “cancelled”.
- Check #9876 was written on November 2, 2017 and has not cleared the bank and is on the outstanding check list. At 12/31/18, this check would *not* be considered “cancelled” and should remain on the outstanding check list.

Cancellation of Warrants



Indiana Code 5-11-10.5: Cancellation of Warrants

- March 1 – fiscal officer prepares list of all outstanding checks for 2 years or more
- File list of checks with Council
- Fiscal officer keeps a copy

“Old” (or stale) checks are receipted back to your ledger into the fund(s) from which they were originally drawn and removed from the outstanding check list. If fund(s) can’t be determined – put in General fund.





Names & Addresses to County Treasurer



- June 1 & December 1
- Disbursing officer shall certify
 - ✓ name
 - ✓ address
 of each person who has money due to them from the city/town.
- County Treasurer shall search their records to ascertain if anyone on the list is delinquent in payment of property taxes. **[IC 6-1.1-22-14]**



Names & Addresses to County Treasurer

IC 6-1.1-22-15 -

If the county treasurer finds that a person whose name is certified to him is delinquent in the payment of taxes, the treasurer shall certify the name of that person and the amount of delinquency to the official of the political subdivision who is to make payment to the person.

The disbursing officer shall periodically make deductions from money due the person and shall pay the amount of these deductions to the county treasurer. (*our emphasis*).

Local Road & Street Annual Operational Report

**Indiana Code 8-17-4.1**

- Requires an operational report to be prepared by all cities and towns having a population of 15,000 or more with road and street responsibilities.
- The report shall list all receipts and disbursements related to the municipality's road and street system made from any of the municipal funds.



Indiana State Board of Accounts

2018

Local Road & Street Annual Operational Report

**Indiana Code 8-17-4.1**

- Due June 1st
- Starting in 2019, will be uploaded to LTAP Asset Management Database
- LTAP, INDOT, and SBOA will have access
- Look for statutory changes on filing requirements

Indiana State Board of Accounts

2018



Local Road & Street Annual Operational Report

Electronic Forms ▼

[Contractor's Bid for Public Work \(Form 96\)](#)

[Petition for Waiver or Reduction of Property Taxes Against a Brownfield - County Form 137BR](#)



[Highway \(Local Road and Street\) Annual Report](#)

[Instructions for the Highway Annual Report](#)



Local Road & Street Annual Operational Report

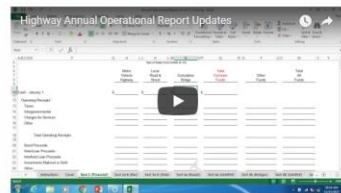
Highway Annual Operational Report ▼

We have been working with INDOT, LTAP, AIC, AIM, and local officials to update the Annual Operational Report for local roads and streets and bridges. Per IC 8-17-4.1-5, effective July 1, 2018, this report is required to be filed by all counties and cities and towns with a population over 15,000. The new report will provide additional information needed by INDOT for federal reporting and provide our legislators and community with more useful information about the funding being used to support highway and street operations. The new report will be implemented for the 2018 reporting year which is due in 2019. However, we have begun training on the new report so that departments can plan their budget and expenditure classifications in a manner that would allow for compliance with the 2018 reporting.

We held training webinars December 15, 2017 in which highway departments officials, street department officials, county and city fiscal officers, and software vendors were invited to participate in. During the webinar, those attending were welcome to ask questions. We are providing one of the webinars, a list of all the questions and answers from both of the webinars, and a draft copy of the new report below as training material. The draft copy of the new report is not a final version, but can be used for budgeting purposes as we do not expect to make any major changes at this point only minor formatting and wording changes. You are welcome to play around with the report, but please do not submit the report for 2017 reporting due in 2018.

If you have any questions or feedback about the report please call our office at (317)232-2512 or send your emails to HighwayReport@sboa.in.gov.

- [Report Submissions](#)
- [Link to Training on YouTube](#)
- [Link to PowerPoint Presentation](#)
- [Questions and Answers from Webcasts](#)



MVH – 50% Restrictions

**Indiana Code 8-14-1-5(c):**

“For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways.”

MVH – 50% Restrictions



Can't include

- Snow plowing expenses
- Salt, etc.

In your 50% calculation



MVH – 50% Restrictions
Permissible Preservation Activities



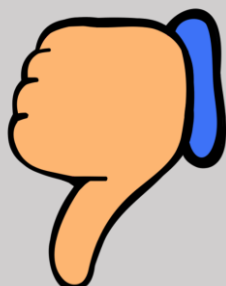
- **Crack sealing**
- **Pavement Patching**
- **Chip Seals**
- **Bridge deck patching**
- **Thin overlays**
- **Microsurfacing**
- **Grinding**
- **Grading Unpaved Sections**
- **Raised Pavement Markers**
- **Culvers and Pipes**
- **Work on Right-of-Way (ROW)**



MVH – 50% Restrictions
Not Permissible as Preservation Activities



- **Winter Operations**
- **Pothole Filing**
- **Graffiti Removal**
- **Repairs - Accidents**
- **Thin overlays**
- **Storm Clean-up**
- **Removal of Animals**
- **Grass Cutting**
- **Tree Trimming**
- **Street Cleaning**



MVH – 50% Restrictions - Encumbrances

**Indiana Code 8-14-1-5(c):**

"For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

- **Encumbered appropriations do not equate to “used” (or disbursed) money.**
- **Checks actually issued in a year is what we will use to determine if MVH distributions have been used.**

Internal Controls – Year End Considerations



Internal Controls



docplayer.net/7494109-Internal-controls-a-short-presentation-from-your-internal-audit-department.html

Internal Controls –
Adoption/Training/Certifications



Indiana Code 5-11-1-27(g)

- “After June 30, 2016, the legislative body of a political subdivision shall ensure that:
 - 1) **the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and**
 - 2) **personnel receive training concerning the internal control standards and procedures adopted by the political subdivision.”**

Internal Controls –
Adoption/Training/Certifications



Indiana Code 5-11-1-27(c) defines “personnel”:

“As used in this section, “personnel” means an officer or employee of a political subdivision whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the federal government, state government, a political subdivision, or another governmental entity.”

Internal Controls –
Adoption/Training/Certifications



Remember:

- ✓ Council should adopt minimum standards - if they haven't already
- ✓ Training for any new employees in 2018
- ✓ Certify on the AFR in Gateway correctly



www.amreading.com/2016/09/18/video-how-to-remember-what-you-read/

Internal Controls –
Adoption/Training/Certifications



AFR Unit Questions ?

The following must be filed with the Annual Report per IC 5-11-1-27 (h).	
I certify that my unit has adopted the minimum internal control standards as required per IC 5-11-1-27(e).	<input checked="" type="radio"/> Yes <input type="radio"/> No
If yes, I certify that all personnel defined by IC 5-11-1-27(c) received training concerning the internal control standards adopted by my unit.	<input checked="" type="radio"/> Yes <input type="radio"/> No

Make sure you answer these questions correctly



Nepotism Annual Certification

**Indiana Code 36-1-20.2-16:**

“Each elected officer of the unit shall annually certify *in writing*, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year.” *[emphasis added]*

Contracting with a Unit Annual Certification

**Indiana Code 36-1-21-6:**

“Each elected officer of the unit shall annually certify *in writing*, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year.” *[emphasis added]*

Contact Information



Todd Caldwell Susan Gordon, CPA

Directors of Audit Services

cities.towns@sboa.in.gov

317-232-2513

**Indiana State Board of Accounts
302 W. Washington St., Rm E418
Indianapolis, IN 46204**