



# Office of the Auditor of State

## Tera Klutz, CPA: Indiana's CAFR

Although we have several departments within the Auditor's Office, your interaction with respect to the CAFR will be with the Finance Department. Below is contact information that might be useful to you.

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### What it is

The Comprehensive Annual Financial Report (CAFR) is the State of Indiana's financial report for any given fiscal year, presenting the State's financial position and results of operations. The CAFR is prepared by the Auditor's Office and audited by the State Board of Accounts (SBOA).

In general, the CAFR is prepared and audited from July 1 through the middle of December each year with the goal of having it completed by Christmas. Beginning around January 1, time is spent reviewing and analyzing accounting information recorded in PeopleSoft Financials (formerly known as ENCOMPASS), the State's accounting system, to make necessary adjustments before the June 30<sup>th</sup> fiscal year end.

The CAFR consists of three sections: the Introductory Section, the Financial Section and the Statistical Section. To see a previous version of the State's CAFR, visit the Auditor's Office's website at [www.in.gov/auditor/2370.htm](http://www.in.gov/auditor/2370.htm).

The Governmental Accounting Standards Board (GASB) establishes the standards that state and local governments must follow for their accounting and financial reporting. States cannot deviate from these standards for their financial statements without compromising the state's accounting principles and credit rating.

### Why it's important

The State's CAFR is one of the main components used by the Nationally Recognized Statistical Rating Organizations to review and analyze Indiana's financial situation and assess our credit rating. The State's credit rating has a significant impact on how much money Indiana's component units with debt issuing authority (i.e. IFA) can borrow to finance projects. Borrowing costs tend to be lower when our credit rating is high and vice versa. In FY16, Indiana's credit rating remained at AAA (Standard & Poor's and Fitch) or Aaa (Moody's), the highest rating assigned by the three major independent credit rating agencies.

Academics also use the CAFR in their research and to further educational pursuits, and it is published for the citizens of the State of Indiana to demonstrate essential and effective financial stewardship, accountability and responsibility.

From 1993 through 2016, Indiana's CAFR was awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA).

The 2016 CAFR was the 24th consecutive year that we received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

### How you can help

State agencies play a vital role in the preparation of the CAFR by swiftly and correctly entering accounting information for their funds into PeopleSoft Financials (formerly known as ENCOMPASS). State agencies also provide vital information regarding various accruals and adjustments needed for the CAFR, such as the taxes receivable accrual and Medicaid accrual and adjustments.

The assistance and cooperation of state agencies in providing their information needed to prepare the State's CAFR is absolutely essential. It is also important that state agencies' accounting staff regularly review their accounting information in PeopleSoft Financials (formerly known as ENCOMPASS) for accuracy so that adjusting entries can be made timely when needed. On the next page is a checklist of some of the items the Auditor's Office will be receiving from agencies and other organizations during the upcoming months.

If you have any questions related to the CAFR, please contact Clay Jackson, Finance Director.

## Due date checklist

In order for the CAFR to be prepared in accordance with generally accepted accounting principles, various adjustments must be made to the cash reporting from PeopleSoft Financials (formerly known as ENCOMPASS). For some adjustments, the Auditor's Office must obtain information from state agencies. The due dates and descriptions for the necessary information are as follows:

INDOT infrastructure, Condition Rating, & Preservation Costs	July 28, 2017
Lottery accrual from Treasurer of State's Office (ToS)	July 28, 2017
Food Stamp Benefits Used (FSSA)	July 28, 2017
Department of Administration (DOA) work-in-progress (WIP)	August 2, 2017
Construction commitments notes – INDOT & DOA	August 2, 2017
Department of Revenue taxes receivable information	August 2, 2017
GASB-S49 Pollution Remediation Obligations – several agencies	August 11, 2017
Tobacco Master Settlement Fund accrual from SBA	August 18, 2017
Internally Generated Computer Software WIP – many agencies	August 25, 2017
Non-tax revenue - modified accrual – many agencies	August 25, 2017
Securities lending accrual and adjustment – from ToS	August 25, 2017
Grants receivable/deferred revenues – from many agencies	September 8, 2017
Investment entries to book value and fair value from ToS	September 22, 2017
Other loss contingencies report - all agencies	September 22, 2017
Department of Education intergovernmental payables	September 27, 2017
Medicaid accruals and adjustments from FSSA – modified and full accrual	October 4, 2017
Attorney General's Office's litigation report	October 6, 2017
Non-tax revenue - full accrual – many agencies	October 20, 2017
OPEB actuarial valuation report and notes information – from the SBA (to include information needed for GASBs 45 and 74 reporting)	October 27, 2017

Additions or changes to the adjustments from year to year may require additional information from state agencies.

State agencies and other organizations responsible for various funds also prepare and provide their financial statements, schedules and notes for such funds to the Auditor's Office for inclusion in the CAFR. These agencies and organizations and due dates are as follows:

State Armory Board – from Adjutant General's Office	August 9, 2017
BMVC Excise Tax Fund (agency fund) – from BMV	August 9, 2017
Department of Insurance Fund (agency fund)	August 9, 2017
Department of Correction recreation, canteen and trust funds	August 9, 2017
FSSA recreation, canteen, and trust funds	August 9, 2017
Indiana Veterans Home recreation, canteen, and trust funds	August 9, 2017
Indiana Blind School recreation, canteen, and trust funds	August 9, 2017
Indiana Deaf School recreation, canteen, and trust funds	August 9, 2017
TrustIndiana – from ToS	August 25, 2017
Internal service funds – from State Personnel Department, State Budget Agency, Indiana State Police, PEN Products, Indiana Office of Technology, Department of Administration, Department of Natural Resources/Alcoholic Beverage Commission	September 6, 2017
Unemployment Compensation Fund – from DWD	September 6, 2017
Indiana Residual Malpractice Insurance Authority – from Dept. of Insurance	September 6, 2017
Indiana Public Retirement System	September 29, 2017
State Police Pension Fund and other State Police Funds	September 29, 2017
DNR Inns and Concessions	September 29, 2017
Discretely presented component units – proprietary & governmental	October 20, 2017
Colleges and Universities including their foundations	October 25, 2017

Thank you to everyone who contributes information for Indiana's CAFR. Your support helps us continue improving our economic climate, bringing more employers and jobs to our great state!