Library Workshop

Indiana State Library
November, 2019

Indiana State Board of Accounts

State Board of Accounts

Mission Statement
We are dedicated to providing the citizens of the State of Indiana with complete confidence in the integrity and financial accountability of state and local government.

www.in.gov/sboa
Enhanced Regulatory Basis

- Elements of GAAP Reporting
- Note Disclosures
- Financial Statement

SBOA Website Information

Hot Topics


Local units should review these changes carefully as they will need to ensure they are collecting the information required for the updated AFR submission.

Schedule of Regulatory Changes

www.in.gov/sboa
## Schedule of Regulatory Changes

Visit [www.in.gov/sboa](http://www.in.gov/sboa) to view the entire document.

## Example Regulatory Report

Visit [www.in.gov/sboa](http://www.in.gov/sboa)

### Example Reports

The financial information filed within the AFR is used in the units' financial reports that are audited by the State Board of Accounts. These example reports show the format of what the unit's financial statement will look like with these new changes. Local officials may want to compare these reports to their most recent audit report to obtain a better understanding of the changes.
2019 Enhanced Regulatory Summary of Updates

Financial Statement
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis

Supplementary Information
Schedule of Capital Assets
Schedule of Payables and Receivables *(removed)*
Schedule of Debt and Leases *(removed)*
Schedule Receipts, Disbursements, and Cash and Investment Balances *(removed)*

Note Disclosures
Long Term Debt
Leases
Interfund Transfers
Deficit Balances
Pensions and OPEB
Significant Contingent Liabilities
Significant Commitments
Subsequent Events
2019 Gateway Updates
Annual Financial Report

IC 5-11-1-4

Due February 29, 2020

Financial Data by Fund
2019 AFR - No Changes

Financial Data by Fund

Enter or change basic financial information for the year. This includes adding or deleting funds, entering beginning cash and investment balances, receipts and disbursements for each fund. Beginning Balance Investments and Beginning Balance Cash fields may be edited by clicking directly on the grid.

Make sure to press the ENTER key on the keyboard after entering a number to make sure it is saved!

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Date</td>
<td>Local Fund Name</td>
<td>Beginning Balance Investments</td>
<td>Ending Balance Investments</td>
<td>Beginning Balance Cash</td>
<td>Ending Balance Cash</td>
</tr>
<tr>
<td>0 - General</td>
<td>1010001 General</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$671,032.05</td>
<td>$1,275,319.80</td>
<td>$1,275,319.80</td>
</tr>
<tr>
<td>0 - Library Improvement Reserve</td>
<td>1014001 Library Improvement Reserve</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$9,952.63</td>
<td>$0.00</td>
<td>$9,952.63</td>
</tr>
<tr>
<td>0 - PLAN Card</td>
<td>1199501 PLAN Card</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$336.30</td>
<td>$1,900.00</td>
<td>$1,900.00</td>
</tr>
<tr>
<td>0 - Construction Fund</td>
<td>1030001 Construction Fund</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$8,492,199.02</td>
<td>$4,146,901.53</td>
<td>$4,146,901.53</td>
</tr>
</tbody>
</table>
2019 Gateway Updates
Long-term Debt Schedule

Debt Schedule
Governmental Activities

<table>
<thead>
<tr>
<th>Delete</th>
<th>Debt Class</th>
<th>Description or Purpose</th>
<th>Beginning Principal Balance as of Jan. 1, 2019</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Principal Balance as of Dec. 31, 2019</th>
<th>Principal and Interest Due in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Revenue Bonds</td>
<td>Taxable Economic Development Bonds of 2007</td>
<td>$500,000.00</td>
<td>$0,000.00</td>
<td>$0,000.00</td>
<td>$500,000.00</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>X</td>
<td>Revenue Bonds</td>
<td>Taxable Increment Revenue Bonds of 2011, Series A</td>
<td>$250,000.00</td>
<td>$100,000.00</td>
<td>$20,000.00</td>
<td>$250,000.00</td>
<td>$180,000.00</td>
</tr>
<tr>
<td>X</td>
<td>Revenue Bonds</td>
<td>Taxable Economic Development Revenue Bonds of 2011</td>
<td>$265,000.00</td>
<td>$0.00</td>
<td>$7,500.00</td>
<td>$257,500.00</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>X</td>
<td>General Obligation Bonds</td>
<td>Sanitary District Bond of 2012</td>
<td>$3,700,000.00</td>
<td>$100,000.00</td>
<td>$10,000.00</td>
<td>$3,790,000.00</td>
<td>$3,810,000.00</td>
</tr>
<tr>
<td>X</td>
<td>Notes and Loans Payable</td>
<td>EMS Pumper 2012 20-3611</td>
<td>$160,125.00</td>
<td>$0.00</td>
<td>$10,000.00</td>
<td>$170,125.00</td>
<td>$170,125.00</td>
</tr>
<tr>
<td>X</td>
<td>Notes and Loans Payable</td>
<td>EMS Ladder Truck 2013 20-3862</td>
<td>$221,085.00</td>
<td>$0.00</td>
<td>$221,085.00</td>
<td>$221,085.00</td>
<td>$114,034.00</td>
</tr>
</tbody>
</table>

2019 Gateway Updates
Inter-fund Transfers

AFR Unit Questions

12. Did your unit make interfund transfers during the year? [ ] Yes [ ] No
2019 Gateway Updates
Inter-fund Transfers

Other Disbursements

<table>
<thead>
<tr>
<th>Disbursement Classification</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments To or On Behalf of Beneficiaries</td>
<td></td>
</tr>
<tr>
<td>Payment of Taxes and Other Payroll Withholdings</td>
<td></td>
</tr>
<tr>
<td>Distributions to Other Governmental Entities</td>
<td>$1,260.00</td>
</tr>
<tr>
<td>Transfer Out - Transferred To Another Fund</td>
<td></td>
</tr>
</tbody>
</table>

Other Receipts

<table>
<thead>
<tr>
<th>Receipt Classification</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Investments</td>
<td></td>
</tr>
<tr>
<td>Earnings on Investments and Deposits</td>
<td></td>
</tr>
<tr>
<td>Proceeds from Tax Anticipation Warrants</td>
<td></td>
</tr>
<tr>
<td>Proceeds from Borrowings other than Tax Anticipation Warrants</td>
<td>$1,260.00</td>
</tr>
<tr>
<td>Sale of Capital Assets</td>
<td></td>
</tr>
<tr>
<td>Refunds and Reimbursements</td>
<td></td>
</tr>
<tr>
<td>Benefit Plan Contributions</td>
<td></td>
</tr>
<tr>
<td>Donations, Gifts, and Bequests</td>
<td></td>
</tr>
<tr>
<td>Payroll Fund and Clearing Account Receipts</td>
<td></td>
</tr>
<tr>
<td>Transfers In - Transferred from Another Fund</td>
<td></td>
</tr>
</tbody>
</table>

Transfer Schedule

<table>
<thead>
<tr>
<th>Delete</th>
<th>Transfer_From</th>
<th>Transfer_To</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0000001156 Rainy Day</td>
<td>0000001000 General</td>
<td>$5,000.00</td>
</tr>
<tr>
<td></td>
<td>0000001176 Motor Vehicle Highway</td>
<td>0000009001 Community Crossings Grant</td>
<td>$300,000.00</td>
</tr>
<tr>
<td></td>
<td>0000001169 Local Road and Street</td>
<td>0000009001 Community Crossings Grant</td>
<td>$10,000.00</td>
</tr>
</tbody>
</table>

Data Posted

Additional Information

Indicate any transfers either that do not occur on a routine basis or are inconsistent with the activities of the fund making the transfer.

Total: $315,000.00
2019 Gateway Updates
Inter-fund Transfers

Pensions

1. Please indicate if your unit offers any of these pension plans to your Employees. Check all that apply.
   - [ ] Public Employees Retirement Fund
   - [ ] Teachers Retirement Fund
   - [x] 1925 Police Pension Fund
   - [ ] 1937 Firefighter's Pension Fund
   - [ ] Police Pension Fund - First Class Cities
   - [ ] 1977 Police and Firefighter's Pension Fund

2. Does your unit have any other pension plans where the employer makes contributions to the plan or funds any part of the benefits?
   - [ ] Yes
   - [ ] No

   Add a plan entry in the table below for each additional plan the unit has.

3. When complete, mark the form as completed.
   - [ ] This form is complete

Save This Form | Return To the Main Menu
2019 Gateway Updates
Pensions

Name of the Pension Plan
Type/Class of Employees Covered by the Plan
Type of Pension Plan
Select the IN Code that Applied to this Plan
Does the Plan Have Terms Related to Vesting
If Yes, list the terms that must be met to vest:

2019 Gateway Updates
Pensions

Does the Plan have any terms related to forfeitures (i.e. benefits payable to a plan member must be forfeited in the event the member is convicted of a crime)?
If Yes, please upload a file with the policy (jpg, pdf, gif, tif, png):
Select the Benefits Provided Under this Plan
If Other, please specify:

Upload the Actuarial Report

Choose File
No file chosen
Upload File

View File
2019 Gateway Updates - OPEB

2019 Enhanced Regulatory Capital Assets

- Capital Asset Additions and Reductions
- Supplementary Information for 2019
- Financial Statement Note Disclosure 2020
- Questions from Spring Workshop
### 2019 Gateway Updates

**Capital Assets**

#### Governmental Activities

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Beginning Balance as of January 1, 2018</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance as of December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books</td>
<td>$9,956,144.00</td>
<td>$60,000.00</td>
<td>$10,000.00</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Building</td>
<td>$6,000,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$6,000,000.00</td>
</tr>
<tr>
<td>Construction</td>
<td>$6,000,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$6,000,000.00</td>
</tr>
<tr>
<td>Improvement</td>
<td>$112,025,812.96</td>
<td>$6,000,000.00</td>
<td>$0.00</td>
<td>$118,025,812.96</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$4,035,671.45</td>
<td>$0.00</td>
<td>$150,000.00</td>
<td>$2,885,671.45</td>
</tr>
<tr>
<td>Land</td>
<td>$16,757,130.10</td>
<td>$200,000.00</td>
<td>$90,000.00</td>
<td>$17,767,130.10</td>
</tr>
<tr>
<td>Machinery</td>
<td>$22,615,903.75</td>
<td>$60,000.00</td>
<td>$20,000.00</td>
<td>$23,055,903.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$430,421,603.00</strong></td>
<td><strong>$7,685,000.00</strong></td>
<td><strong>$380,555.00</strong></td>
<td><strong>$416,748,053.05</strong></td>
</tr>
</tbody>
</table>

#### WASTEWATER

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Beginning Balance as of January 1, 2018</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance as of December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>$2,645,107.00</td>
<td>$78,000.00</td>
<td>$0.00</td>
<td>$2,723,107.00</td>
</tr>
<tr>
<td>Construction</td>
<td>$400,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$400,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,045,107.00</strong></td>
<td><strong>$78,000.00</strong></td>
<td><strong>$0.00</strong></td>
<td><strong>$3,123,107.00</strong></td>
</tr>
</tbody>
</table>

### 2020 Enhanced Regulatory Capital Assets - *reminder*

- Removed from Supplementary Information section
- Added to Notes to Financial Statements section
- Beginning Balance, Additions, Reductions, Ending Balance by Activity and Class as in 2019
- Accumulated Depreciation for depreciable assets
Recap
Schedule of Regulatory Changes

Visit www.in.gov/sboa to view the entire document

End of Year Duties
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
- Internal Control Considerations

End of Year Duties
Annual Financial Report

Required by IC 5-11-1-4

Due 60 days after year end
* February 29, 2020 *

Updated for Enhanced Regulatory
Internal Control Considerations
End of Year Duties
Annual Financial Report

Gather information / post/reconcile records to complete information for

- Financial Data By Fund
- Capital Assets
- Grants
- Long-term Debt
- Leases
- Pensions
- Inter-fund Transfers
- Risk Assessment Questions

Risk Assessment Questions

- 7. Does anyone review the completed bank statements?
- 24. Have items included in the most recent SBOA report been adequately corrected?
End of Year Duties
Certified Report of Names, Duties, & Compensation (100R)

- Required by IC 5-11-13-1

- Due during the month of January for the preceding year
  *January 31, 2020*

- No Changes to the Reporting

- Internal Control Considerations

End of Year Duties
Monthly Uploads in Gateway

Required Monthly Uploads, *January through December*:

- Bank Reconciliation
- Board Minutes
- Funds Ledger
End of Year Duties
Annual Uploads in Gateway

Bank Statement
• December 2019 statement for each bank account
• Does not require images of checks
• No reconcilement here – it will be with the monthly uploads

Outstanding Checklist
• Detailed list
• Checks written but not cleared bank
• Total should agree to reconcilement
• Include
  □ check date
  □ check number
  □ check amount
End of Year Duties
Annual Uploads in Gateway

Investment Statements

• Similar to checking account statement
• December 2019 account statement
• For all investment accounts

Detail of Receipt Activity

• Does not apply if hand-posted records
• Listing of all receipts issued & posted
• Include receipt numbers
End of Year Duties
Annual Uploads in Gateway

Detail of Disbursement Activity

• Does not apply if hand-posted records
• Listing of all non-payroll disbursements issued & posted
• Include check numbers & vendor names

Current Year Salary Ordinance

• Scan & upload 2019 salary resolution/schedule(s) in effect at end of year
End of Year Duties
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

End of Year Duties
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
End of Year Duties
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 2020 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 2020 (with proper explanation) and added to the 2020 appropriation for the same purpose.

End of Year Duties
Encumbrances

Encumbered Appropriations

By carrying out this procedure, the 2020 budget will not be expected to stand any expense not anticipated in making the budget.

We recommend:
• *the proper library officials make a listing of these encumbered items*
• *make it a part of the minutes for the last business meeting of the year*
End of Year Duties

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.

End of Year Duties

Cancellation of Warrants

Indiana Code 5-11-10.5

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, 2019;

o Check #1234 was written on February 27, 2017 and has not cleared the bank and is on the outstanding check list. At 12/31/19, it would be considered “cancelled”.

o Check #9876 was written on November 2, 2018 and has not cleared the bank and is on the outstanding check list. At 12/31/19, this check would not be considered “cancelled” and should remain on the outstanding check list.
End of Year Duties
Cancellation of Warrants

Indiana Code 5-11-10.5

✓ March 1 – fiscal officer prepares list of all outstanding checks for 2 years or more
✓ File list of checks with Library Board
✓ 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 Operating Fund.

End of Year Duties
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 library.

• 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]
End of Year Duties
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).

End of Year Duties - Internal Controls Adoption/Training/Certifications

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

“A 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.”
End of Year Duties - 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.”

End of Year Duties - Internal Controls
Adoption/Training/Certifications

Remember:

✔ Library Board should adopt minimum standards - if they haven’t already

✔ Provide training for any new employees in 2019

✔ Certify on the AFR in Gateway correctly
End of Year Duties - Internal Controls  
Adoption/Training/Certifications

**AFR Unit Questions**

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>I certify that my unit has adopted the minimum internal control standards as required per IC 5-11-1-27(e).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Make sure you answer these questions correctly

End of Year Duties  
Internal Control Evaluation

- Review and Document Procedures
- Review for evidence of procedures being performed as intended
- Evaluate effectiveness
- Change accordingly
Any Questions???

Contact Information

Todd Caldwell, CFE        Susan Gordon, CPA
Directors of Audit Services

libraries@sboa.in.gov

317-232-2513

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