*Learn more about …*

# The Annual Financial Report (AFR)

## Purpose

Indiana state law requires that the state examiner (State Board of Accounts) receive annual financial reports from counties, cities, towns, townships, libraries, utilities and special districts and that they submit those reports via the collection systems of Gateway (see IC 5-11-1-4).

These reports, as submitted by the units, are made available via Gateway to the public soon after the deadline for submission (60 days after year end). Those reports, however, are unaudited. The State Board of Accounts (SBOA) then uses these reports as part of their required auditing of these units.  Those audit reports are currently available from the SBOA website: www.in.gov/sboa/resources/reports/audit/.

*The Gateway is an online submission system and a public access site (learn more about the Gateway).*

## Units Reporting

While state law requires the submission of annual financial reports for a broad spectrum of units that receive and disburse tax dollars, for purposes of Gateway we will focus on units that report using the web-enabled entry and upload collection systems of Gateway. All cities, towns, townships, libraries, utilities and special districts submit annual financial reports (AFR) through the Gateway.  Schools, however, submit their financial reports to the Department of Education and are subsequently audited by SBOA.  We do not currently provide AFR data for schools on Gateway.  A complete listing of the annual report-filing units in Gateway is available by looking at the Report Builder: *Annual Financial Report* and selecting the *AFR Submission Log*.

## Data Collected

Units are required to use a regulatory basis of accounting which complies with the financial reporting provisions of a government regulatory agency (in this case, SBOA).  In Indiana, fund accounting is used for reporting to the SBOA.  According to the SBOA regulatory manual, "[T]he operations of each fund are accounted for with a separate set of self-balancing accounts comprised of receipts, disbursements and its investment and cash balance.  Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled." (See www.in.gov/sboa/files/RegulatoryManual_2012.pdf for more information).

**Cash and Investments Combined Statement**

All funds are identified by each unit documenting the beginning cash and investment balance in January for the reporting year, receipts and disbursements during the year (net of investment transactions), and then the ending cash and investment balance as of December 31 for the reporting year.

**Detailed Disbursements (Funds with Departments)**

This report provides departmentalized detail for counties (General Fund and Motor Vehicle Highway Fund) and cities and towns (General Fund).  Here is an example of the structure and content of this report.

| Governmental Activities | Fund | Department | Category | Disbursement |
|---|---|---|---|---|
| | General Fund | County Commissioners | Salaries and Wages | $ |
| | | | Employers Share FICA | $ |
| | | | PERF | $ |

**Detailed Disbursements (Funds Only, No Departments)**

Funds with categories of spending, as seen in the example below, are the focus with this report.  This report is applicable to all units and funds, including those that are departmentalized by the unit but no departmental detail is shown in this report.

| Governmental Activities | Fund | Category | Disbursement |
|---|---|---|---|
| | Highway | Salaries and Wages | $ |
| | | Insurance | $ |
| | | Office Supplies | $ |
| | | Other | $ |

**Detailed Receipts**

Funds are once again the primary focus, with receipts organized within funds by category.  Those categories include may include general property taxes, county adjusted gross income tax (CAGIT), alcoholic beverage/liquor excise tax distribution and among many other categories.

| Governmental Activities | Fund | Category | Receipt Amount |
|---|---|---|---|
| | General Fund | Property Taxes | $ |
| | | CAGIT | $ |
| | | Other Grants | $ |
| | | | |

**Grants**

Grant funds received or disbursed by the unit during the year are documented by the unit.  The information collected includes the following:

- Local Project Name (may or may not be the same as the official name of the project in grant docs)
- Federal Program Title (official title for which the grant was awarded)
- Federal Agency
- Pass Through Agency (the state agency or other entity that provides the grant monies to this unit)

- CFDA Number (Catalog of Federal Domestic Assistance identifier)
- Award Name (the name the awarding agency has assigned to this grant)
- Award Number (the number the awarding agency assigned to this grant)
- Grant type – one of the following:
    - Advance (monies received before disbursements related to the grant activity are made)
    - Reimbursement (Disbursement made from local funds which are then reimbursed with grant funds)
- Fund Number/Name (unit selects the fund where the monies and received and disbursed)
- Receipts (the amount of grant funds that have been received for the period reported)
- Disbursements (amount of grant funds disbursed for the period)
- Amount of Federal Awards Provided to Sub-Recipients During the Year
- Amount of Loans Outstanding at Year End
- Amount of Federal Noncash Assistance for the Year
- Amount of Insurance in Effect During the Year

**Financial Assistance to Non Governmental Entities**

Local government units may provide financial assistance to entities such as volunteer fire departments, senior centers and economic development corporations to name a few.  The items delineated include the following (note that the only required fields were name, county, amount and type):

- Name of the Entity
- Federal Tax ID
- Street Address
- City
- State
- County
- Operating Officer Name
- Phone
- Description of Funding
- Amount
- Type  of Entity

**Township Disbursements by Vendor**

Indiana townships are required to provide a statement of expenditures by vendor (IC 36-6-4-13) that shows the combined gross payment according to classification of the expense.  The information collected includes:

- Fund Name
- Category of Disbursement
- Paid to (vendor name)
- Amount

**Township Assistance Statistical Report**

Townships also provide statistics which quantifies township assistance requests for the year and include the following:

1. Total number of requests for Township Assistance

2. (A) Total number of Township Assistance recipients

2. (B) Total number of households containing recipients of Township Assistance

2. (C)(i) Total number of case contacts made with or on behalf of recipients of Township Assistance

2. (C)(ii) Total number of case contacts made with or on behalf of members of a household receiving township assistance

3. Total Value of benefits provided to recipients of Township Assistance

4. Total value of benefits provided through efforts of township staff from sources other than township funds

5. (A) Total number receiving utility assistance – recipients

5. (A)(i) Total number receiving utility assistance - households

5. (B) Total number of recipients assisted by township staff in receiving utility assistance from sources other than township funds

6. (i) Total value of benefits provided for payment of utilities - township

6.(ii) Total value of benefits provided for payment of utilities – non-township sources

6.(iii) Total value of all benefits provided for payment of utilities

7. (A) Total number receiving housing assistance - recipients

7 (A)(i) Total number receiving housing assistance - households

7. (B) Total number of recipients assisted by township staff in receiving housing assistance from sources other than township funds

8. (i) Total value of benefits provided for housing assistance - township

8. (ii) Total value of benefits provided for housing assistance – non-township sources

8. (iii) Total value of all benefits provided for housing assistance

9. (A) Total number receiving food assistance - recipients

9. (A)(i) Total number receiving food assistance - households

9. (B) Total number of recipients assisted by township staff in receiving food assistance from sources other than township funds

10. (i) Total value provided for food assistance - township

10.(ii) Total value provided for food assistance – non-township sources

10. (iii) Total value of all food assistance provided

11. (A) Total number provided health care - recipients

11. (A)(i) Total number provided health care - households

11. (B) Number of recipients assisted by township staff in receiving health care assistance from sources other than township funds

12. (i) Total value of health care provided - township sources

12.(ii) Total value of health care provided – non-township sources

12. (iii) Total value of all health care provided

## Timeframe

The Annual Financial Reports must be submitted no later than 60 days after the beginning of the new calendar

year.  Once submitted, the unit does have the option to "unsubmit" their report if they find errors and are allowed correct entries in the system. At the same time, units can also correct their reports up to and including the audit by the SBOA.  Keep this in mind when using these reports as submitted.

## Understanding the Data

The information is entered (or uploaded) and submitted by the unit. Keep in mind the possibility that something may have been mistyped.  If you are viewing a unit's report and question the information for a specific unit, please contact that unit to discuss.  If you believe there is a problem with the report generator, please email ibrctech@iupui.edu and we will respond quickly.

It is also important to remember that the submission of the Annual Financial Report is the first part of the complete audit process for the unit that is conducted by the State Board of Accounts.  Audit reports are available at http://www.in.gov/sboa/resources/reports/audit/ and are in the form of PDFs.

The State Board of Accounts has a variety of resources available on its website that provide instruction to the units and to gain a better understanding of the requirements and the accounting practices we encourage you to visit the site at www.sboa.in.gov.

## For more information

More details on the requirements for the Annual Financial Report can be found at www.in.gov/sboa/3700.htm. If you'd like more information about the use of this report, please contact the IBRC at ibrctech@iupui.edu.