

Office of the Auditor of State

Suzanne Crouch

The 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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Left to right:
Clay, Stacey, Suzanne, Courtney

The 2014 CAFR was the 22nd 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.

A Certificate of Achievement is only valid for one year. We believe that our 2015 CAFR will continue to meet the Certificate of Achievement Program's requirements, and we plan to submit it to the GFOA to determine its eligibility for another certificate by Dec. 31, 2015.

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 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 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.

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 ENCOMPASS, the State's accounting system, to make necessary adjustments before the June 30th 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 <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 to be in accordance with generally accepted accounting principles.

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 FY14, Indiana's credit rating remained at AAA (Standard & Poor's and Moody's) or Aaa (Moody's), the highest rating assigned by the "Big Three" 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 2014, 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).

Due Date Checklist

In order for the CAFR to be prepared in accordance with generally accepted accounting principles, various accruals and adjustments must be made to the reporting from ENCOMPASS. For some accruals and adjustments, the Auditor's Office must obtain information from state agencies. Some accruals and adjustments for which information is provided by state agencies and their approximate due dates are as follows:

Department of Administration (DOA) work-in-progress (WIP)	July 29, 2015
Construction commitments notes – INDOT & DOA	July 29, 2015
INDOT infrastructure, Condition Rating, & Preservation Costs	July 31, 2015
Lottery accrual from Treasurer of State's Office (ToS)	July 31, 2015

Department of Revenue taxes receivable information	August 04, 2015
GASB-S49 Pollution Remediation Obligations – several agencies	August 12, 2015
Major Moves liability accrual from State Budget Agency (SBA)	August 17, 2015
Medicaid accruals and adjustments from FSSA – modified accrual	August 17, 2015
Tobacco Master Settlement Fund accrual from SBA	August 17, 2015
Internally Generated Computer Software WIP – many agencies	August 26, 2015
Non-tax revenue - modified accrual – many agencies	August 28, 2015
Securities lending accrual and adjustment – from ToS	August 28, 2015
OPEB accrual – from the SBA	October 30, 2015

Grants receivable/deferred revenues – from many agencies	September 11, 2015
Investment entries to book value and fair value from ToS	September 25, 2015
Other loss contingencies report - all agencies	September 25, 2015
Department of Education intergovernmental payables	September 30, 2015

OPEB actuarial valuation report and notes information – from the SBA	October 30, 2015
Medicaid accruals and adjustments from FSSA – full accrual	October 05, 2015
Attorney General's Office's litigation report	October 07, 2015
Non-tax revenue - full accrual – many agencies	October 21, 2015

The above list of accruals and adjustments needed from state agencies is not all inclusive. Additions or changes to the accruals and adjustments from year to year may increase information sought 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 their due dates are as follows:

State Armory Board – from Adjutant General's Office	August 14, 2015
BMVC Excise Tax Fund (agency fund) – from BMV	August 14, 2015
Department of Insurance Fund (agency fund)	August 14, 2015
Department of Correction recreation, canteen and trust funds	August 14, 2015
FSSA recreation, canteen, and trust funds	August 14, 2015
Indiana Veterans Home recreation, canteen, and trust funds	August 14, 2015
Indiana Blind School recreation, canteen, and trust funds	August 14, 2015
Indiana Deaf School recreation, canteen, and trust funds	August 14, 2015
TrustINDiana – from ToS	August 28, 2015

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 09, 2015
Unemployment Compensation Fund – from DWD	September 09, 2015
Wabash Memorial Bridge – from INDOT	September 09, 2015
Indiana Residual Malpractice Insurance Authority – from Dept. of Insurance	September 09, 2015
Indiana Public Retirement System	September 25, 2015
State Police Pension Fund and other State Police Funds	September 25, 2015
DNR Inns and Concessions	September 25, 2015

Discretely presented component units – proprietary & governmental	October 16, 2015
Colleges and Universities including their foundations	October 23, 2015

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.