



**ANNUAL OPERATIONAL REPORT  
for  
Highway & Street Departments  
&  
HOUSE BILL 1290**

*County Auditor's  
Spring Conference 2018*

Background



**Annual Operational Report:**

- Required by Indiana Code 8-17-4.1
- Disclose information to reflect the financial condition and operations of a county highway or city/town street department
- We will refer to it as “Report” for this presentation



## Overview - continued



- **Changes in legislation - future reporting; 2019 & beyond**
- **Pilot program**
- **More information**

## CURRENT Requirement per Indiana Code



### **Indiana Code 8-17-4.1 contains the following:**

- 4.1-1** Report to be completed by all counties and municipalities with populations of at least 20,000
- 4.1-5** Prepared by April 15
- 4.1-7** Filed by June 1
- 4.1-8** SBOA provides a list to Auditor of State of counties and cities/towns that have not filed the report. AOS "shall withhold" the distribution of MVH monies

## CHANGES in Legislation



### House Bill 1290

- Changed SBOA reporting to AOS

from March 1 to June 15

(effective January 1, 2018)

SECTION 29, IC 8-17-4.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2018 (RETROACTIVE)]:  
 Sec. 8. (a) On ~~March~~ **June 15** following the operational report year, the state board of accounts shall prepare a certified list of counties and municipalities that have **not** complied with this chapter.  
 (b) The state board of accounts shall immediately apprise the auditor of state when the certified list described in subsection (a) is initially certified or revised for an operational report year.

(a) The state board of accounts shall prepare a certified list of counties and municipalities that have not complied with this chapter.

## Importance of the Report



1. To ensure your MVH distributions are not withheld
2. INDOT uses Report for federal reporting – can impact grant funding to counties
3. Increases transparency – will demonstrate compliance with 50% restriction in future
4. Provide information to citizens, legislators, media, etc.

## Getting and Filing the CURRENT Report



### 1. Getting the Report:

- > [www.in.gov/sboa](http://www.in.gov/sboa)
- > Political Subdivisions
- > Cities (or Towns)
- > Electronic Forms
  - *Highway (Local Road & Street) Annual Report*
  - *Instructions for Highway Annual Report*

## Getting and Filing the CURRENT 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](#)



## Getting and Filing the CURRENT Report



### 2. Filing the Report:

- > Complete the Report (debt added)
- > Print certification page  
*sign and keep it locally*
- > Type names in spreadsheet report
- > Before June 1, email completed Report to:

***HighwayReport@sboa.in.gov***

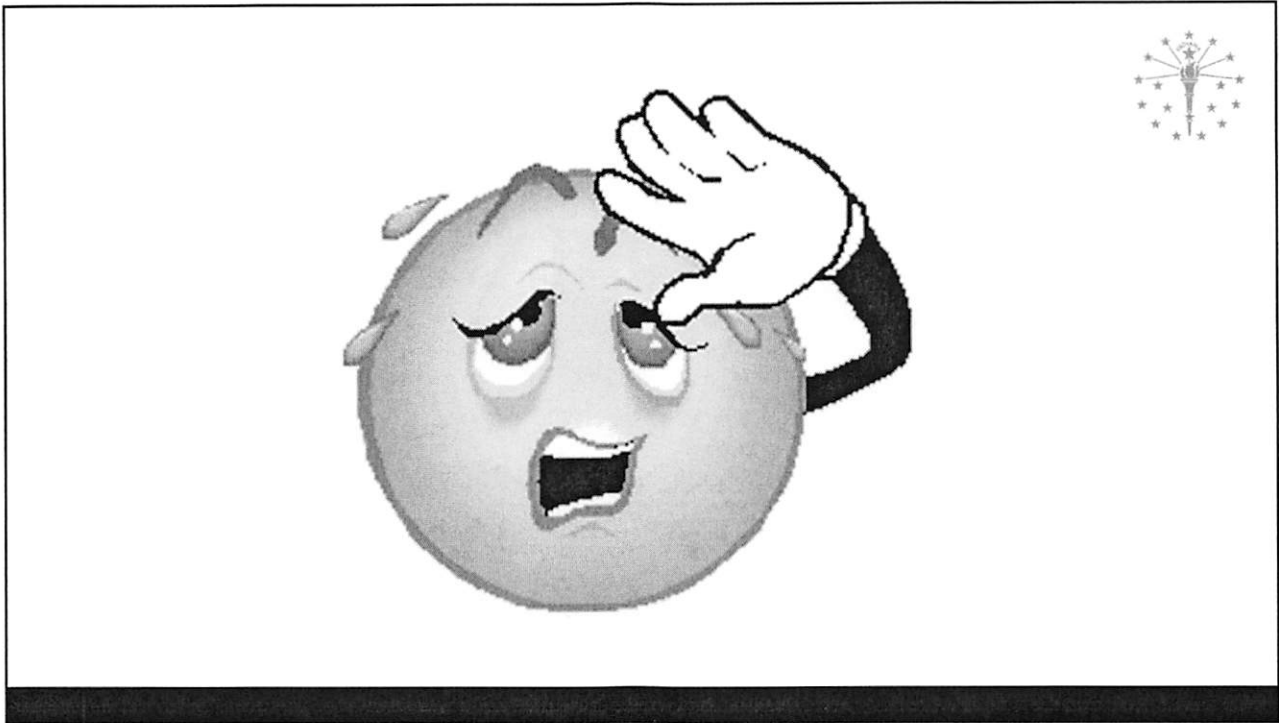
## CURRENT Report Changes



### Current Year Changes:

- Added section on debt specific to road funding
- Spreadsheet tab "section 8"

ANNUAL OPERATIONAL REPORT FOR LOCAL ROADS AND STREETS AND BRIDGES SECTION 8 - DEBT INFORMATION <small>Part of State Form 54400 (8-10)</small>						
BONDS:	Description of Debt	Description of Debt	Description of Debt	Description of Debt	Description of Debt	Total Bonds
Outstanding Principal at January 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Bonds Issued	-	-	-	-	-	-
Principal Paid	-	-	-	-	-	-
Interest Paid	-	-	-	-	-	-
Total Principal & Interest Paid	-	-	-	-	-	-
Outstanding Principal at December 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Description	Description	Description	Description	Description	Total



## Changes in Legislation



### House Bill 1290

- Changes population requirement for cities and towns from 20,000 to 15,000

*(effective July 1, 2018)*

SECTION 28. IC 8-17-4.1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. (a) This chapter applies to:  
(1) all counties; and  
(2) municipalities with a population of at least ~~twenty~~ **twenty five** thousand ~~(20,000)~~ **(15,000)**.

## Changes in Legislation – FUTURE Reporting



### **House Bill 1290:**

#### **Effective July 1, 2018:**

- Removes “maintenance” - inserts “preservation”  
“... the county shall use at least 50% of the money for the construction, reconstruction, and preservation of ... highways.”
- Defines “preservation” in Indiana Code 8-14-1-1(7)

## Changes in Legislation (continued)



**(7) The term "preservation" means the preventative treatment, nonstructural treatment, rehabilitation, or structural repairs made to transportation infrastructure and related drainage that are included in an asset management plan approved by the Indiana department of transportation in collaboration with the local technical assistance program at Purdue University.**



## FUTURE Report Changes – for 2019



### **Reasons:**

- Indiana Code 8-14-1-5 ----- 50% restriction
- SBOA reintroduced forms to document cost allocation
- Local officials wanted the Report to show compliance with 50%
- Committee was formed:
  - **SBOA, LTAP, INDOT, Associations, Street & highway representatives**

## FUTURE Report Changes – for 2019



### **Deleted sections:**

- Classification of Employees (current report section 4)
- Equipment inventory (current report section 5)
- Report of Federal Aid (current report section 7)

### **Additions:**

- Instructions page (current report is separate document)
- Debt information (will be section 4 in revised report)

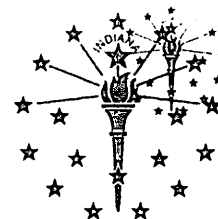
## Future Report Changes – for 2019



### **Filing revised Report in 2019:**

- Same as this year
  - ✓ You will save the Excel file
  - ✓ Email it to us at HighwayReport@sboa.in.gov
- **LTAP working on an online data base for submission**

## Future Report Changes – for 2019



Instructions  
Cover  
Instructions  
Section 1 - Financial Stmt\*  
Section 2 - Receipts\*  
Section 3 - Disbursements\*  
Section 4 – Roads and Bridges  
Section 5 – Debt\*  
Section 6 - Mileage Changes  
Section 7 - Certification

\*Pertinent information

## Draft Revision to Future Annual Operational Report – Filed in 2019 for 2018 Data



**Instructions –  
added to  
spreadsheet  
and no longer a  
separate  
document:**

### INSTRUCTIONS

Instructions for the completion of each Section of the report follow. We recommend that you begin your preparation of the Annual Operational Report by completing the detailed information on in Section 2 - Detail of Operating Receipts and Section 3 - Detail of Operating Disbursements. The totals from these sections are then electronically carried forward by the spreadsheet to the appropriate portions of Section 1 - Financial Statement.

#### Cover Sheet

The same cover sheet is used for both the county and city/town versions of the report. Counties may just leave the city/town information blank. The calendar year being reported should be shown at the bottom of the report.

#### Section 1: Financial Statement

Financial statement information, including beginning and ending cash balances, for the most common funds reported by LPA's are included in the first four columns of Section 1. Receipts and disbursements for other less common funds used for road, street, and bridge expenses are reported in the "Other Funds" column. The "Total All Funds" column will then be the grand total of all funds received from all sources and used by the agency for road, street, and bridge expenses.

The common funds included in Section 1 are Motor Vehicle Highway, Local Road and Street, and the Cumulative Bridge Fund. The Cumulative Bridge Fund column will apply only to counties. Examples of less common funds used by some LPA's may include (but are not limited to): Rainy Day, Community Crossings, LCH/IF, Riverboat, EDT, Local Major Moves Construction Fund (established by Indiana Code 8-14-16-4), Cumulative Capital Improvement, Federal and State Grants, etc. Those LPA's contiguous to the Indiana Toll Road received a distribution that was required to be placed into the Local Major Moves Construction Fund. As mentioned above, this fund is to be reported as one of the less common funds. Financial information in the "Other Funds" column in Section 1 will be automatically carry forward from Section 2 and Section 3. You will not have to enter data for operating receipts and disbursements in Section 1.

Generally, the information contained on Section 1 will be compiled from the funds ledger. The Section 1 will show the beginning balance of cash at January 1 for common funds, receipt totals for all sources for all funds, disbursement totals for each classification for all funds, and the ending cash and investment balance at December 31 for common funds for the reporting year.

#### Beginning Cash Balance:

Enter the cash balance of Motor Vehicle Highway, Local Road and Street, and Cumulative Bridge fund at January 1 of the reporting year. It is not necessary to enter the cash balances for other funds. For counties, the cash balances entered in this report should agree with the cash balances in the Auditor's funds ledger. For cities or towns, the cash balances entered in this report should agree with the cash balances in the funds ledger as maintained by the Controller or Clerk-Treasurer (as applicable).

#### Receipts:

Categories of receipts include operating (taxes, intergovernmental, charges for services, and other) as well as proceeds from bonds, notes, loans and sale of investments. Operating receipts will be automatically carried forward from information entered in Section 2. Bond proceeds, note/loan proceeds, interfund loan proceeds, investments cash/sold, and other receipts, should be reported separately from the operating receipts because they are not the direct result of the LPA's operations. These receipts should

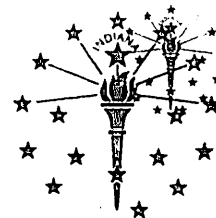
## Draft Revision to FUTURE Annual Operational Report – Filed in 2019 for 2018 Data



**Section I –  
Summarized  
financial  
information.  
Very similar to  
the current form.**

Section 1 - Financial Statement	Motor Vehicle Highway	Local Road & Street	Cumulative Bridge	Other Common Funds	Other Funds	Total All Funds
Cash - January 1				\$0.00		
Receipts						
Operating Receipts						
Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intergovernmental	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Charges for Services	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Operating Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Financing Sources						
Bond Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Note/Loan Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interfund Loan Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Investments Matured or Sold	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Transfers In	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## Draft Revision to FUTURE Annual Operational Report – Filed in 2019 for 2018 Data



**Section I –  
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Disbursements							
1	Operating Disbursements						
2	General Administration & Unallocated	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	Construction and Reconstruction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Preservation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Maintenance & Repair	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	Total Operating Disbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Other Financing Sources						
8	Debt Service - Principal	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9	Debt Service - Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	Interfund Loan Payments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1	Interfund Loans Made	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2	Investments Purchased	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3	Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4	Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Total Disbursements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	Excess						
7	Over (Under) Total Disbursements	\$0.00	\$0.00	\$0.00	\$0.00		
8	Cash - December 31	\$0.00	\$0.00	\$0.00	\$0.00		
9	Investments - December 31						
0	Cash and Investments - December 31	\$0.00	\$0.00	\$0.00	\$0.00		

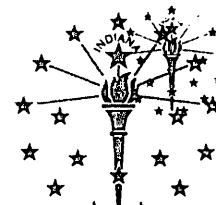
## Draft Revision to FUTURE Annual Operational Report – Filed in 2019 for 2018 Data



### Section 2 - Detail of receipts.

Section 2 - Detail of Receipts	Vehicle Highway	Road & Street	Cumulative Bridge	Other Funds	Total All Funds	General	General	General	General	General	General	Other
						Fund	Fund	Fund	Fund	Fund	Fund	Fund
<b>Receipts</b>												
<b>Taxes</b>												
General Property Taxes				\$0.00	\$0.00							
LIT - Certified Shares				\$0.00	\$0.00							
LIT - Economic Development Income Tax				\$0.00	\$0.00							
Wheel and Sur Tax				\$0.00	\$0.00							
Other Taxes				\$0.00	\$0.00							
<b>Total Taxes</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Intergovernmental</b>												
Motor Vehicle Highway Distribution				\$0.00	\$0.00							
Local Road and Street Distribution				\$0.00	\$0.00							
Financial Institution Tax Distribution				\$0.00	\$0.00							
Vehicle/Aircraft Excise Tax Distribution				\$0.00	\$0.00							
State Grants				\$0.00	\$0.00							
Federal Grants				\$0.00	\$0.00							
Other Intergovernmental				\$0.00	\$0.00							

# Draft Revision to FUTURE Annual Operational Report – Filed in 2019 for 2018 Data



## Section 3 - Detail of disbursements

Section 3 - Detail of Disbursements	Motor Vehicle Highway	Local Road & Street	Cumulative Bridge	Total Other Funds	Total All Funds	(Insert Other Fund)	(Insert Other Fund)	(Insert Other Fund)	(Insert Other Fund)	(Insert Other Fund)	(Insert Other Fund)	(Insert Other Fund)
<b>Disbursements</b>												
<b>General Administration &amp; Unallocated</b>												
Personal Services				\$0.00	\$0.00							
Supplies				\$0.00	\$0.00							
Other Services and Charges				\$0.00	\$0.00							
Capital Outlay				\$0.00	\$0.00							
<b>Total General Administration &amp; Unallocated</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Construction and Reconstruction</b>												
Personal Services				\$0.00	\$0.00							
Supplies				\$0.00	\$0.00							
Other Services and Charges				\$0.00	\$0.00							
Capital Outlay				\$0.00	\$0.00							
<b>Total Construction &amp; Reconstruction</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Preservation</b>												
Personal Services				\$0.00	\$0.00							
Supplies				\$0.00	\$0.00							
Other Services and Charges				\$0.00	\$0.00							
Capital Outlay				\$0.00	\$0.00							
<b>Total Preservation</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Annual Operational Report – Filed in 2019 for 2018 Data



## Section 5 – Debt - specific to road funding. Includes bonds, loans, and capital leases:

### Section 6 - Debt Information

	(Description of Debt)	(Description of Debt)	(Description of Debt)	(Description of Debt)	(Description of Debt)	Totals
<b>Bonds</b>						
Bonds - Outstanding Principal January 1						\$0.00
New Bonds Issued During Year						\$0.00
Principal Paid						\$0.00
Interest Paid						\$0.00
Total Principal & Interest Paid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bonds - Outstanding Principal December 31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Notes/Loans</b>						
Notes/Loans - Outstanding Principal January 1						\$0.00
New Notes/Loans Issued During Year						\$0.00
Principal Paid						\$0.00
Interest Paid						\$0.00
Total Principal & Interest Paid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Notes/Loans - Outstanding Principal December 31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Capital Leases</b>						
Capital Leases - Outstanding Principal January 1						\$0.00
New Capital Leases Entered Into During Year						\$0.00
Principal Paid						\$0.00
Interest Paid						\$0.00
Total Principal & Interest Paid	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Leases - Outstanding Principal December 31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Pilot Program for Revised Report



**8 Pilot units were selected:**

5 Counties

2 Cities

1 Town

**They completed the draft form for the current period.**

**Responses have been generally positive**

More Information – SBOA  
Website



**• Highway Annual Operational Report (under Counties)**

- Report Submissions
- Link to Training on You Tube
- Link to power point presentation
- Questions and Answers from Webcasts

Questions

