2019 County Auditors Fall Conference

Bob Reynolds and Janie Cope Local Government Division Indiana Auditor of State

Quadrant Meetings

Lawrenceburg Indiana, October 17, 2019 Noblesville Indiana, October 23, 2019 Vincennes Indiana, October 25, 2019 Plymouth Indiana, October 29, 2019



Indiana Auditor of State Tera Klutz, CPA

LOCAL GOVERNMENT DIVISION

The Team

- □ Bob Reynolds
- □ Janie Cope
- Director
- Specialist
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- **a** (317) 233-1712

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About Me

Name: Bob Reynolds

Education: Ball State University – Class of 2008 Double Major: Accounting and Information Systems Professional Credentials: Certified Public Accountant

Work Auditor of State's Office (AOS)

History: 2017 – Present Local Government Division Director

LWG CPAs & Advisors (formerly London Witte Group)

2008 – 2011 Staff Accountant 2011 – 2015 Senior Staff Accountant

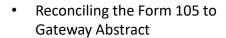
2015 – 2017 Manager of Governmental Service



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What we'll discuss today

- Form 105
- Settlement Checklist
- AOS Review Process



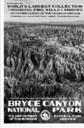




















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Form 102/105 Section A

June Settlement

	SECTION A	JUNE SETTLEMENT
1	Collections Certified by County Treasurer:	
2	Property Tax	
3	Before Apportionment Adjustments	
4	Less: Erroneous Tax, Penalties and Interest Refunded	
5	Add: Late Payment Penalties on Unpaid Special Assessments	
6	Add or Less: Other Before Apportionment Adjustments	
7	Net Property Tax for Apportionment	
8	License Excise Tax for Apportionment	
9	TOTAL FOR APPORTIONMENT - Total of Li	nes 7 and 8



Charges Shown on March Abstract

	SECTION A-1	DECEMBER SETTLEMENT
1	CHARGES:	
2	Charges Shown on March Abstract:	
3	Current Property Taxes	
4	Late Assessment Penalty	
5	Statement Processing Charg	е
6	Delinquent Taxes, Penalties	and Interest
7		



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Form 102/105 Section A-1

Additional Charges

_	A157 101 1A 1 B 1 W
8	Additional Charges and Assessments During Year:
9	Current Tax (Including Tax for Prior Years, Other Than Delinquent Tax Recharged)
10	General Property Tax
11	Mobile Home Tax
12	Late Assessment Penalty and Statement Processing Charge
13	Late Assessment Interest
14	Additional Penalty Added on Prior Year Second Installment
15	Penalty on Current First Installment Delinquent
16	10% Penalty on Former Years' Tax Delinquent Added After May 10
17	Delinquent Tax, Penalties and Interest Recharged:
18	Tax
19	Penalties and Interest
20	Delinquent Tax Judgments Collected
21	TOTAL CHARGES - Total of Lines 3 to 20



- Additional Charges and Assessments During Year:
 - Current Tax (Including Tax for Prior Years, Other Than Delinquent Tax Recharged)- Charges added to tax bills after initial calculation and abstract completion and approval (Lines 10 – 16)
 - Line 10 General Property Tax-Additional charges from increases in assessments or addition of new assessments.
 - Line 11 Mobile Home Tax- Additional mobile home tax bill charges, not included on March abstract.
 - Line 12 Late Assessment Penalty and Statement Processing Charge –
 Additional Late Assessment Penalties and Statement Processing Charges
 added to the tax liabilities. Most likely from personal property return
 being filed late.



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Form 102/105 Section A-1

- Additional Charges and Assessments During Year continued:
 - Line 13 Late Assessment Interest 20% interest applied for on late personal property filings
 - Line 14 Additional Penalty Added on Prior Year Second Installment
 Example: Parcel has fall 2018 unpaid installment. Penalty is applied to this parcel after the Fall 2018 settlement
 - Line 15 Penalty on Current First Installment Delinquent Example:
 Parcel has spring 2019 unpaid installment. After Spring settlement penalty is applied to the parcel



- Additional Charges and Assessments During Year continued:
 - Line 16 10% Penalty on Former Year's Tax Delinquent Added After May 10 – After Spring settlement, additional penalty is applied to any outstanding delinquent taxes outstanding prior to current settlement
- Delinquent Tax, Penalties and Interest Recharged (Lines 18-19):
 - Line 18 Tax (Delinquent Tax) The tax liability was removed and would need to be re-billed
 - Line 19 Penalties and Interest The penalties and interest were removed. Those penalties and interest previously charged would need to be re-billed



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Form 102/105 Section A-1

- Additional Charges and Assessments During Year continued:
- Line 20 Delinquent Tax Judgments Collected Payment of prior unpaid taxes, penalties, and interest that were filed as a judgment with the county clerk for release of lien on property.

Example: The taxpayer came to the county treasurer and wanted to have the lien released. The judgment amount would be added back to the tax system so the taxpayer can pay the amount due from the lien. With the complete payment of the judgment, the lien is released.

 Line 21 -Total Charges- The total of the abstract charges and all of the additional charges.



CREDITS
Unpaid at This Settlement (Including All Charges and Assessments During Year)
Current Second Installment
Current First Installment
Additional Penalty on Prior Year Second Installment Delinquent
Penalty Current First Installment
10% Penalty on Former Years' Tax Delinquent Added After May 10
Former Years' Delinquent Tax
All Penalties and Interest Unpaid (Except Lines 26, 27 and 28)
Total Unpaid at This Settlement - Total of Lines 24 to 30
Tax, Pen. and Int. Certified to Clerk of Circuit Court
Certificates of Error Issued During Year
TOTAL CREDITS - Total of Lines 31 to 33



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Form 102/105 Section A-1

- Credits
 - Unpaid at This Settlement (Including All Charges and Assessments During Year) (Line 24-33)
 - Line 24 Current Second Installment Unpaid current taxes that were due in November
 - Line 25 Current First Installment Unpaid current taxes that were due in May
 - Line 26 Additional Penalty on Prior Year Second Installment
 Delinquent Penalty that was applied after spring settlement to
 the unpaid prior year fall taxes



- Credits Continued...
 - Line 27 Penalty Current First Installment Penalty applied to the unpaid spring installment
 - Line 28 10% Penalty on Former Years Tax Delinquent Added After May 10 – Penalty applied after spring settlement to the taxes that were delinquent from the prior year
 - Line 29 Former Year's Delinquent Tax Prior year taxes still unpaid
 - Line 30 All Penalties and Interest Unpaid (Except Lines 26, 27 and 28) – Previously assessed and unpaid prior year penalties and interest (applied in prior years/not current)
 - Line 31 Total Unpaid at This Settlement Total of all of the credits listed



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Form 102/105 Section A-1

- Credits Continued...
 - Line 32 Tax, Pen and Int Certified to Clerk- Non paid taxes that are certified as judgments by the county treasurer to the county clerk
 - Line 33 Certificates of Error Issued During Year- From your C of E summary, the credit on tax duplicate and the property tax replacement credit columns
- Line 34 TOTAL CREDITS total of all credits listed above



35	TOTAL COLLECTED THIS YEAR - Line 21 minus Line 34
36	Property Tax at June Settlement - Line 2, Section A
37	AMOUNT FOR APPORTIONMENT Line 35 minus Line 36
38	Before Apportionment Adjustments
39	Less: Erroneous Tax, Penalties and Interest Refunded
40	Add: Late Payment Penalties on Unpaid Special Assessments Collected
41	Add or Less: Other Before Apportionment Adjustments
42	TOTAL (Lines 39 through 41)
43	NET TOTAL PROPERTY TAX FOR APPORTIONMENT (Line 37 minus Line 42)
44	License Excise Tax For Apportionment
45	TOTAL NET AMOUNT FOR APPORTIONMENT Total of Lines 43 and 44



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Form 102/105 Section A-1

- Line 35 Total Collected this Year Lines 21 minus Line 34 – Total charges less total credits
- Line 36 Property Tax at June Settlement Line 2,
 Section A June Property Tax collections listed in Net Tax, Penalty and Interest column in Section A
- Line 37 Amount for Apportionment Line 35 minus Line 36 – Total collected for the year minus the June property taxes (line 32)



- Before Apportionment Adjustments(Lines 38-41)
 - Line 39 Less: Erroneous Tax Penalties and Interest Refunded-Should agree to the amounts reported on 17TC
 - Line 40 Add: Late Payment Penalties on Unpaid Special
 Assessments Collected Should agree to amounts reported on 49TC
 - Line 41 Add or Less: Other Before Apportionment Adjustments –
 Any other additions or subtractions from the amount to
 distribute/apportion. Commonly are NSF and prior settlement
 adjustments



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Form 102/105 Section A-1

- Line 42 Total (Lines 39 through 41) Total of all preapportionment adjustments
- Line 43 Net Total Property Tax for Apportionment (Line 37 minus Line 42) – Amount to apportion less preapportionment adjustments – the amount you will distribute
- Line 44 License Excise Tax for apportionment Total excise tax to be distributed (Should agree with Excise Tax Allocation worksheet)



 Total Net Amount for Apportionment – Total property tax and excise tax to be apportioned to units

	SECTION B APPORTIONMENT	TOTAL NET PROPERTY TAX	LICENSE EXCISE TAX	TOTAL PROPERTY TAX AND EXCISE TAX
1	County General Fund	0.00	0.00	0.00
2	County Health Fund	0.00	0.00	0.00
3	County Cumulative Bridge Fund	0.00	0.00	0.00
4	County Reassessment Fund	0.00	0.00	0.00
5	FREE	0.00	0.00	0.00
6	FREE	0.00	0.00	0.00



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Form 102/105 Section B

- · Section B Apportionment
 - Total Net Property Tax Equals Total column Net Total Property Tax for Apportionment (Line 43) Section A-1
 - License Excise Tax Equals Total column License Excise Tax for Apportionment (line 44) Section A-1



Form 105 Section C

	SECTION C	REMITTANCE
	DUE STATE ON ACCOUNT OF	AMOUNT
1	Infraction Judgment	0.00
2	Overweight Vehicle Fines	0.00
3	Special Death Benefit	0.00
4	Sales Disclosure Fee	0.00
5	Coroner's Continuing Education Fee	0.00
6	Adult & Juvenile Offender Interstate Compact Fee	0.00
7	Mortgage Recording Fee	0.00
8	Child Restraint Fine	0.00
9	Canine Research and Education Fund	0.00
10	Forest Restoration Fund	0.00
11	Sex/Violent Offender Registration Fee	0.00
12	DLGF Homestead Property Data Base Fund	0.00
13	Violent Crime Victims Compensation Fund	0.00
14	FREE	0.00
15	FREE	0.00
6	FREE	0.00



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Form 105 Section C

- · Amounts listed come from the county's Funds Ledger as of settlement
- Amounts listed in section must be remitted to the state prior by June 30/December 31st, if settlement is not processed and approved by December 31st a separate reporting form is available for use
- SWETA, Welfare Excise and School Excise Allocations are not included in Section C



Form 105 Section C

- Fines and fees to be remitted include but not limited to:
 - Infraction Judgement amounts IC 34-28-5-5
 - · Overweight Vehicle Fines IC 9-20-4
 - Special Death Benefit Fees IC 35-33-8-3.2
 - · Sales Disclosure Fees IC 6-1.1-5.5-4
 - · Coroner's Continuing Education Fees IC 16-37-1-9
 - Adult & Juvenile Offender Interstate Compact Fees IC 11-13-4.5-4
 - · Mortgage Recording Fees IC 24-9-9-1
 - · Child Restraint Fines IC 9-19-11



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Form 105 Section C

- Canine Research and Education Fund IC 6-9-39-7
- Forest Restoration Fund IC 6-1.1-6-20 & 6-1.1-24
- Sex/Violent Offender Registration Fees IC 36-2-13-5.6
- DLGF Homestead Property Database Fund IC 6-1.1-12-37(f)
- Violent Crime Victims Compensation Fund IC 11-10-8-6(a)
- Please make certain the remittance to the state for Section C agrees with the amounts listed in Section C













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Bryce Canyon National Park



YES, THAT IS SNOW ON THE GROUND AT OUR CAMPSITE!



Bryce Canyon National Park





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Settlement Submission and Review

- AOS will now post all forms on AOS website
 - · Available on AOS website
- AOSFTP site will still be utilized for submitting documents
- Remember to read manual prior to filling out forms
 - Available on AOS website
 - https://www.in.gov/auditor/1260.htm
 - Contains instructions and tips



Settlement Submission and Review

- Make sure to complete checklist prior to submitting settlement for review
- Crowe LLP will conduct initial review and AOS will conduct final review
- AOS will email county auditor when pre-approval is granted
 - AFTER RECEIVING PRE-APPROVAL YOU CAN DISTRIBUTE TAXES
- E-Signature form will be uploaded to FTP site after pre-approval
- Final approval will occur when:
 - · AOS receives E-signature form
 - All funds have been remitted to AOS, <u>must occur on or before</u> <u>December 31, 2019</u>



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AOS FTP Site

- AOS FTP Site https://aosftp.auditor.in.gov/
 - · Used for circulating documents for settlement
 - Contact <u>localgovernent@auditor.in.gov</u> for login assistance and instructions
 - County auditors can upload completed settlement documents to the "To Settlements" folder



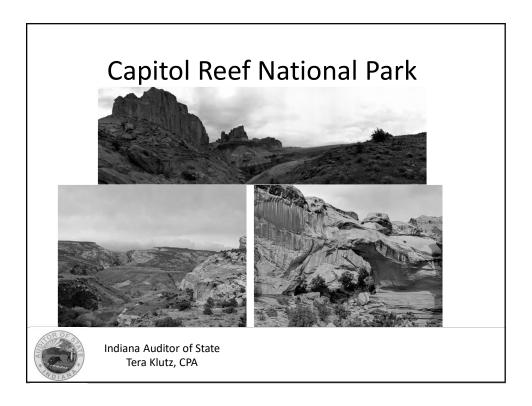


Settlement Checklist

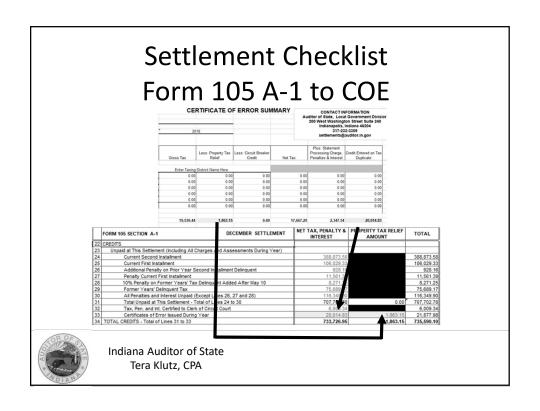
- Designed to mimic AOS review process
- Early detection of problems
- Verifies forms balance
- Speeds up review process
 Next couple slides will go over main points of the checklist

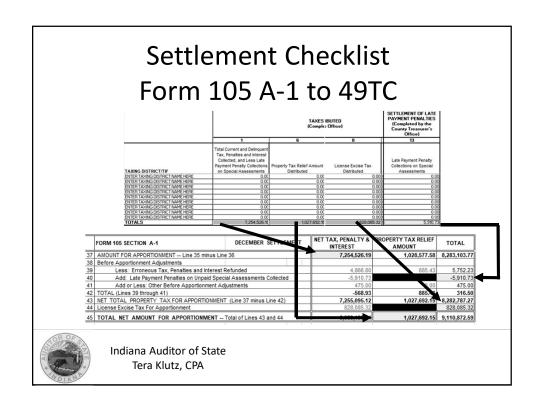


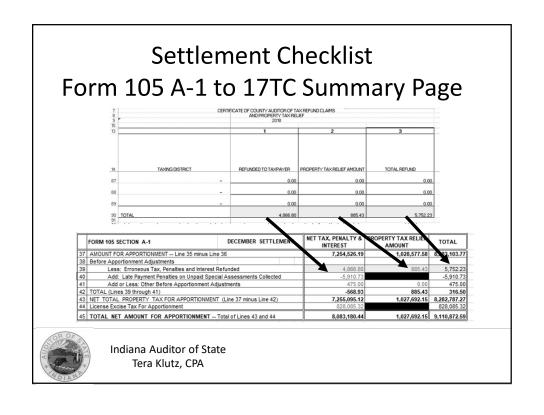


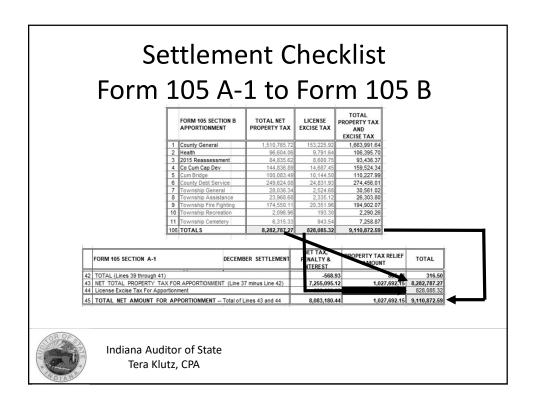


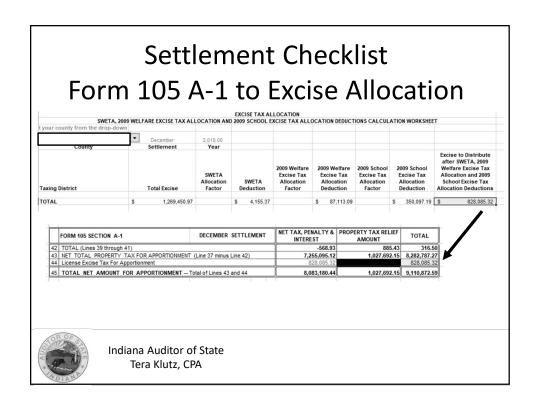
Settlement Checklist
Form 105
Settlement Sheet Form 105 - Section A-1 3 Line 33 (Certificates of Error Issued During the Year): Net Tax and Penalty column equals the Credit Entered on Tax Duplicate column of the C of E Summary.
4 Line 33 (Certificates of Error Issued During the Year): Property Tax Relief Amount column equals the Less Property Tax Relief column of the C of E Summary.
5 Line 37 (Amount for Apportionment): Net Tax and Penalty column equals the total of Column 1 on the 49TC.
6 Line 39 (Less Erroneous Tax, Penalty and Interest Refunded): Net Tax, Penalty, and Interest column equals the total of Column 1 (Refunded to Taxpayer) on 17TC Summary tab
7 Line 39 (Less Erroneous Tax, Penalty and Interest): Property Tax Relief Amount column equals the total of Column 2 (Property Tax Relief Amount) on the 17TC Summary tab.
8 Line 40 (Less Late Payment Penalties on Unpaid Special Assessments Collected): Net Tax, Penalty, and Interest column equals total of Column 13 on the 49TC.
9 Line 44 (License Excise Tax for Apportionment): Total column equals the Column 8 total on the 49TC.
10 Line 45 (Total Net Amount for Apportionment). Property Tax Relief Amount column equals the total amount of Column 6 on the 49TC.
Settlement Sheet Form 105 - Section B 11 Total Net Property Tax column total equals the total of Section A-1, Line 43 (Net Property Tax for Apportionment).
12 License Excise Tax column total equals the total of Section A-1, Line 44 (License Excise Tax for Apportionment).
Total Property Tax and Excise Tax column total equals total of Section A-1, Line 45 (Total Net Amount for Apportionment).
SWETA, 2009 Welfare and 2009 School Excise Tax Allocation Worksheet 21 Excise to Distribute total equals Column 8 of the 49TC and Section A-1, Line 44 (License Excise Tax for Apportionment) Total column of the Form 105.
Excise Tax Reconciliation Worksheet 22 Line 10 must equal \$0.00.
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Canyonlands National Park











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AOS Settlement Review

- AOS review major components
 - 1. Verifying all forms agree
 - 2. Verify Form 105 Sec A-1 Lines 3 through 6 agree to March abstract (Gateway Abstract)
 - 3.Review Form 105 Sec C changes above 20% threshold
 - 4. Verify excise tax reconciles
 - 5. Review items reported on line 41 of Form 105



AOS Settlement Review Charges Shown on March Abstract

	FORM 105 SECTION A-1	NET TAX, PENALTY & INTEREST	PROPERTY TAX RELIEF AMOUNT	TOTAL
1	CHARGES:			
2	Charges Shown on March Abstract:			
3	Current Property Taxes	17,546,629.01	2,049,718.93	19,596,347.94
4	Late Assessment Penalty	10,512.29		10,512.29
5	Statement Processing Charge	792.91		792.91
6	Delinguent Taxes, Penalties and Interest	853.528.11		853.528.11



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AOS Settlement Review

Charges Shown on March Abstract

- Verify Form 105 Sec A-1 Lines 3 through 6 agree to March abstract (Gateway Abstract)
 - AOS will provide reconciliation worksheet to reconcile lines 3 through to Gateway
 - Reconciliation worksheet is prepopulated, county auditors only need to enter county number and amounts reported on settlement
 - Can be found on AOS website at:
 - Place holder for website address



Arches National Park









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AOS Settlement Review Form 105 Sec C 20% Threshold

- AOS compares amounts reported on Form 105 Sec C to prior year. Any changes greater than 20% will be questioned
- Main purpose of the inquiry is to verify that the amount reported is correct.
- To decrease review time, an explanation of all changes can be submitted with settlement in a word file or PDF.



AOS Settlement Review Form 105 Sec C 20% Threshold

2018 Settlement

	SECTION C	REMITTANCE
	DUE STATE ON ACCOUNT OF	AMOUNT
1	Infraction Judgment	22,780.00
2	Overweight Vehicle Fines	25.00
3	Special Death Benefit	1,375.00
4	Sales Disclosure Fee	1,695.00
5	Coroner's Continuing Education Fee	916.75
6	Adult & Juvenile Offender Interstate Compa	0.00
7	Mortgage Recording Fee	907.50
8	Child Restraint Fine	0.00
9	Canine Research and Education Fund	0.00
10	Forest Restoration Fund	0.00
11	Sex/Violent Offender Registration Fee	113.50
12	DLGF Homestead Property Data Base Full	11.99
13	Violent Crime Victims Compensation Fund	0.00

2017 Settlement

	SECTION C	REMITTANCE
	DUE STATE ON ACCOUNT OF	AMOUNT
1	Infraction Judgment	16,108.50
2	Overweight Vehicle Fines	0.00
3	Special Death Benefit	1,315.00
4	Sales Disclosure Fee	1,555.00
5	Coroner's Continuing Education Fee	974.00
6	Adult & Juvenile Offender Interstate Compact Fee	0.00
7	Mortgage Recording Fee	882.50
8	Child Restraint Fine	0.00
9	Canine Research and Education Fund	0.00
10	Forest Restoration Fund	0.00
11	Sex/Violent Offender Registration Fee	182.50
12	DLGF Homestead Property Data Base Fund	0.00
13	Violent Crime Victims Compensation Fund	0.00



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AOS Settlement Review

Excise Tax Reconciliation



- Line 10 of the excise reconciliation should always be \$0.00
- If there is a difference, a detailed explanation should be provided.
- To decrease review time, an explanation of all changes can be submitted with settlement in a word file or PDF.



AOS Settlement Review

Form 105 Line 41 Explanation

FORM 105 SECTION A.1	NET TAX, PENALTY & INTEREST	PROPERTY TAX RELIEF AMOUNT	TOTAL
Before Apportionment Adjustments			
Less: Erroneous Tax, Penalties and Interest Refunded	4,866.80	885.43	5,752.23
Add: Late Payment Penalties on Unpaid Special Assessments Collected	-5,910.73		-5,910.73
Add or Less: Other Before Apportionment Adjustments	475.00	0.00	475.00
TOTAL (Lines 39 through 41)	-568.93	885.43	316.50
NET TOTAL PROPERTY TAX FOR APPORTIONMENT (Line 37 minus Line 42)	7,255,095.12	1,027,692.15	8,282,787.27
License Excise Tax For Apportionment	828,085.32		828,085.32
TOTAL NET AMOUNT FOR APPORTIONMENT Total of Lines 43 and 44	8,083,180.44	1,027,692.15	9,110,872.59
	Before Apportionment Adjustments Less: Erroneous Tax, Penalties and Interest Refunded Add: Late Payment Penalties on Unpaid Special Assessments Collected Add or Less: Other Before Apportionment Adjustments TOTAL (Lines 39 through 41) NET TOTAL PROPERTY TAX FOR APPORTIONMENT (Line 37 minus Line 42) License Excise Tax For Apportionment	Before Apportionment Adjustments	Set Relief AMOUNT

- AOS will review any line 41 adjustments.
- To decrease review time, provide detailed a explanation of any line 41 adjustments in a word file or PDF.



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Questions and Answers

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