ANNUAL FINANCIAL REPORT

ENHANCED REGULATORY UPDATES

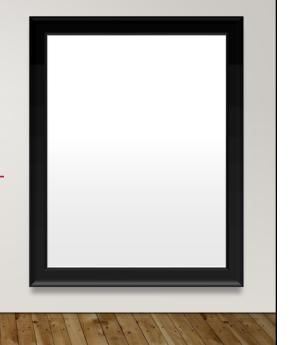
INDIANA LEAGUE OF MUNICIPAL CLERKS AND TREASURERS CONFERENCE

NOVEMBER 2021

EVANSVILLE

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UNIT QUESTIONS



AFR UNIT QUESTIONS - NEW | 7a. What is your capital asset threshold? | 5000| | Cost at which an asset must be included on the capital asset ledger and financial statements Determined by the council in a policy or resolution

AFR UNIT QUESTIONS - NEW

13. Do you have significant contingent liabilities?
A contingency is an existing condition, situation, or set of circumstances involving uncertainty to a government that will ultimately be resolved when one or more future events occur or fall to occur.

14. Do you have significant commitments?
Commitments are existing arrangements to enter into future transactions or events, such as long-term contractual obligation with suppliers for future purchases at specified prices or sometimes as specified quantities.

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AFR UNIT QUESTIONS - NEW 15. Do you participate in any joint ventures? Legal entity of other organization that results from a contractual arrangement and that is owned operated, or governed by two of more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or responsibility. 16. Are their related party transactions? Transaction that an informed observer might reasonably believe reflects considerations other than economic self-interest based upon the relationship that exists between the parties to the transactions. The term is often used in contrast to an arm's-length transaction.

AFR UNIT QUESTIONS - NEW

17. Is your unit affected by tax abatements through direct or indirect agreements?

A tax abatement is an agreement between one or more governments and an individual or entity in which one or more governments promise to forgo tax revenues to which they are otherwise entitled and the individual or entity promises to take a specific action that contributes to economic development or benefits the government or citizens.

AFR UNIT QUESTIONS - NEW 18. Did your unit have Interfund Loans (Due to-Due from) during the year? An interfund loan is a transfer that moves money from one fund to another fund that will need to be repaid. Yes No

AFR UNIT QUESTIONS - NEW

19. Do you have conduit debt?
A debt instrument issued in the name of a state or local government that is for the benefit of a third party that is primarily liable for the repayment of the debt instrument.

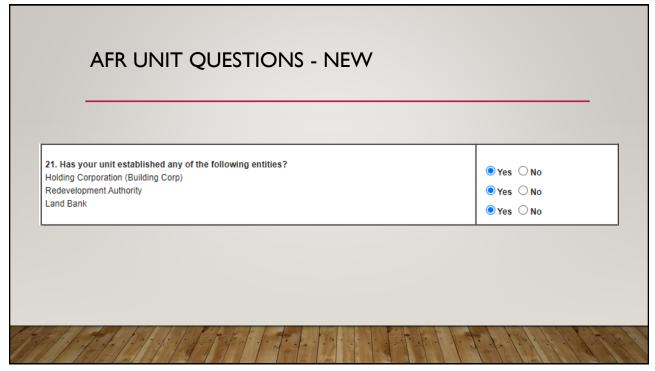
19a. Describe your conduit debt.

Revenue bonds to provide financial assistance to private-sector entities for the acquisition of facilities deemed to be in the public interest. The city is not obligated for repayment.

Review debt issuances involving capital financing for a third party. You will need a description of conduit debt transactions and the aggregate amount of all conduit debt outstanding.

AFR UNIT QUESTIONS - NEW 20. Do you have landfill closure and postclosure care? Costs incurred to provide for the protection of the environment that occur near of after the date that a municipal solid-waste landfill stops accepting solid waste and throughout the postclosure period.

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GRANT SCHEDULE

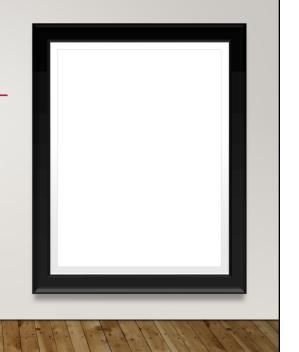
- For the 2021 Annual Financial Report an optional upload is now available for Grant reporting.
- Specifications will be available in the user guide and on our website on the cities and towns page under Gateway



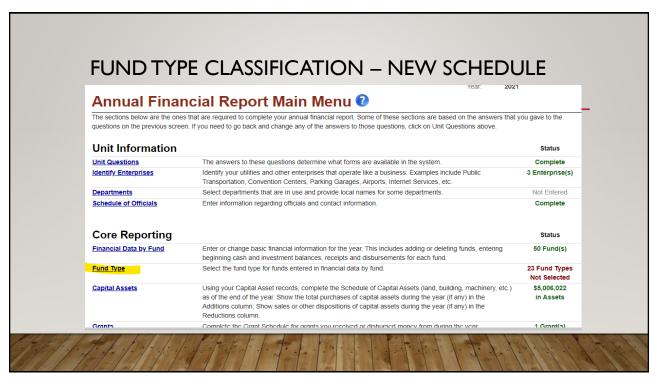
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FUND TYPES

- Previous training sessions on fund type classification
 - May 2019 Fall District Meeting
 - May 2021 AIM Budget Workshop
- Slides are available on our website for cities and towns under Presentations and Training Materials
 - www.in.gov/sboa



TOWN OF EXAMPLE, EXAMPLE OF STATEMENT OF RECEIPTS AND DE For the Year Ended December 31, 20	SOURSEMENT	s					
				n of Example			
				reipts and Disbu	rsements		
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Fiduciary Fund	Totals
Cash and investments - beginning	\$ 57,257	5 1,209,029	5 1,031,317	5 6,594,453	\$ 1,474,857	5 213,864	\$10,580,777
Floceipts Taxes	1 578 512	711.758	338.496	175		167.949	2.794,715
Licenses and permits	6,285	5,420	6,951		9 9	101,343	18,656
Intergovernmental	249,700	454,924	22,399		9	- 4	727,031
Charges for services	65.650	673.250	32,406			4	761,306
Fines and forfeits	706	992					1,698
Utility fees Other receipts	9.143	128,894	8,219	4.614,205	2,275,463 225,377	599,740	2,275,463 5,585,578
Total receipts	1.898.004	1,975,238	406,470	4,614,205	2,500,840	767,689	12,164,446
Disbursements							
Personal services	1,279,468	598,446			542,921	91,603	2,512,438
Supplies	75,060	123,703					198,771
Other services and charges	463,030	1,284,744	236,869	4 000 000	39,054	34,439	2,058,136
Debt service - principal and interest Capital outlay	16,129	220.274	75,000	4,902,756	-	14,848	4,917,604 311,403
Utility operating expenses	10,123	220,274	75,000		1.142.595	2000	1,142,696
Other disbursements	36,231	14,996		1 2	725,193	696.224	1.372,644
Total disbursements	1,869,926	2,242,163	311,869	4,902,766	2,449,763	737,114	12,513,591
LTHE REPORT OF THE PARTY OF THE	Commission (Commission)	1107.000	2001000		S	200000000000000000000000000000000000000	100 M
Excess (deficiency) of receipts over disbursements	28,078	(266,925)	96,601	(288,551)	51,077	30,575	(349,145)
Cash and investments - ending	\$ 85,336	\$ 942,104	\$ 1,127,918	\$ 6,306,902	\$ 1,525,934	5 244,439	\$10,231,632



ELINID TYPE	CLASSIFICATION - N	JEW SCHEDI II E
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Governmental Activities		
Local Fund Name	Fund Type	
0000000004 - GRANTS 902804 GRANTS	Special Revenue	î
0000000005 - POLICE PENSION 107002 Police Pension	Pension Trust	
0000000006 - LEVY EXCESS FUND 102351 Levy Excess	Special Revenue	
0000000007 - POLICE BUILDING & EQUIPMENT 902800 POLICE BUILDING & EQUIPMENT	Special Revenue	
0000000009 - CUM CAPITAL IMPROVEMENTS	General Fund Special Revenue Debt Service	•
elec	Capital Projects Permanent Enterorises	
Local Fund Name	Internal Service Pension Trust	
1111 - general 106850 Enterprise Operating	Private Purpose Trust Investment Trust Custodial	
	Other	

FUND TYPE CLASSIFICATION

- General Fund This fund is used to account for and report all financial resources not accounted for and reported in another fund.
 - Chief Operating Fund of the city or town

- Special Revenue Funds These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- Common examples:
 - ✓ MVH
 - ✓ LRS
 - Park Operating
 - ✓ Local Law Enforcement Cont. Education
 - ✓ LIT Public Safety

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FUND TYPE CLASSIFICATION

- Capital Projects Funds These funds are used to account for and report financial resources that are intended for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Common Examples
 - ✓ Capital Improvement Fund
 - ✓ Cumulative Capital Development Fund

- Debt Service Funds These funds are used to account for and report financial resources
 for principal and interest payments. Debt service funds should be used to report
 resources if legally mandated. Financial resources that are being accumulated for principal
 and interest maturing in future years also should be reported in debt service funds.
- Common Examples
 - ✓ Bond Interest and Redemption
 - ✓ Sewer Bond

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FUND TYPE CLASSIFICATION

- Permanent Funds These funds are used to account for and report resources that are
 restricted to the extent that only earnings, and not principal, may be used for purposes
 that support the reporting government's programs that are, for the benefit of the
 government or its citizenry.
- Example Endowment Fund

- Enterprise funds These funds are used to report any activity for which a fee is charged to external users for goods or services.
- Common Examples:
 - ✓ Utilities
 - ✓ Airport
 - **✓**EMS

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FUND TYPE CLASSIFICATION

- Internal service funds These funds are used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost reimbursement basis.
- Common Examples:
 - ✓ Self Insurance
 - ✓ IT Services

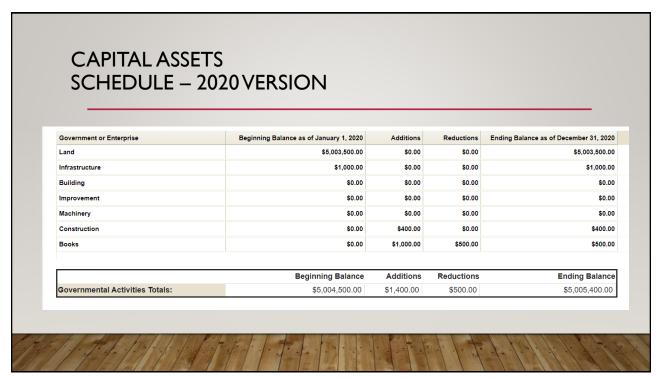
- Fiduciary funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the city or town. The fiduciary fund types are classified as follows:
 - √ Pension (and other employee benefit) trust
 - ✓ Investment trust
 - ✓ Private purpose trust funds
 - ✓ Custodial funds

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FUND TYPE CLASSIFICATION

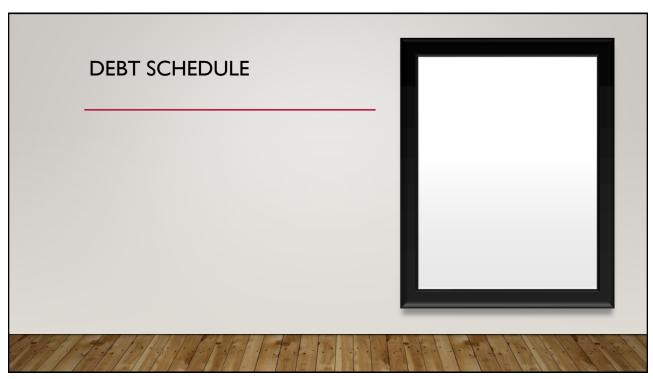
- Other funds types are classified as follows:
 - Clearing accounts are used to accumulate resources from withholding of employee
 payroll deductions and accrued employer payroll taxes. These resources will be
 submitted to the appropriate taxing bodies when due. The accumulated resources
 represent a liability of the city or town.
- Common Examples
 - ✓ Payroll
 - ✓ Payroll Clearing fund(s)

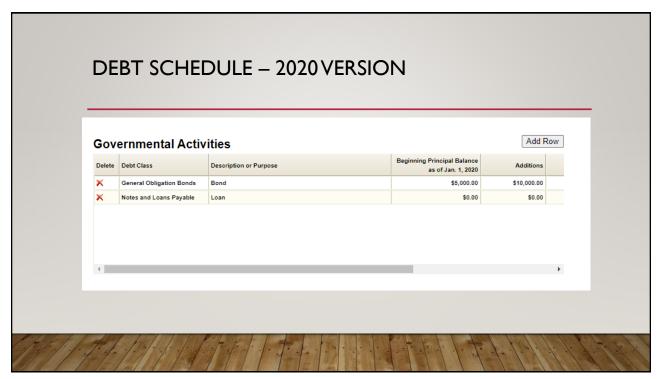


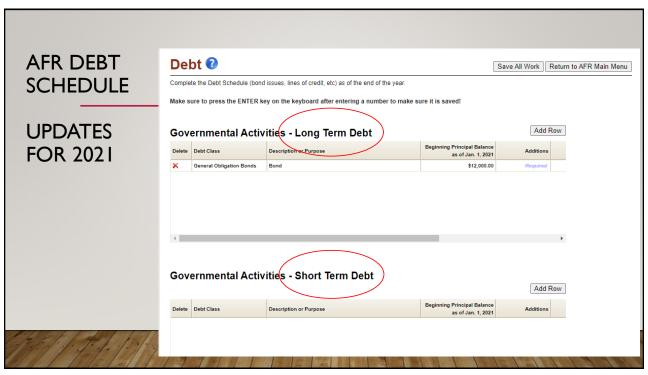


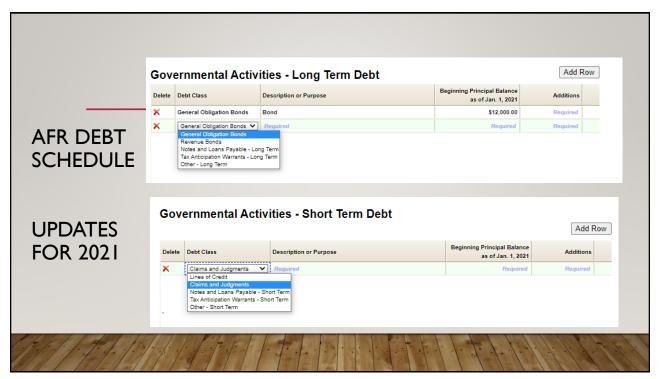
	Government or Enterprise	Beginning Balance as of July 1, 2020	Additions	Reductions	Ending Balance as of June 30, 2021
	Land	\$50,000.00	\$0.00	\$0.00	\$50,000.00
	Construction in Progress	\$75,000.00	\$25,000.00	\$100,000.00	\$0.00
	Other Non-Depreciable Assets	\$5,000.00	\$0.00	\$0.00	\$5,000.00
FR	Governmental Activities -	Beginning Balance as of July 1, 2020	Additions	Reductions	Ending Balance as of June 30, 2021
	Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00
APITAL	Buildings	\$4,000,000.00	\$0.00	\$0.00	\$4,000,000.00
			\$0.00	\$0.00	\$526,000.00
CCETC	Improvements Other Than Buildings	\$526,000.00	\$0.00	30.00	\$020,000.00
SSETS	Improvements Other Than Buildings Machinery, Equipment, and Vehicles	\$526,000.00 \$875,000.00	\$28,460.00	\$8,900.00	\$894,560.00
	Machinery, Equipment, and Vehicles Books and Other	\$875,000.00 \$69,000.00	\$28,460.00 \$5,900.00		***************************************
PDATES	Machinery, Equipment, and Vehicles Books and Other Governmental Activities -	\$875,000.00 \$69,000.00	\$28,460.00 \$5,900.00	\$8,900.00	\$884,560.00 \$86,500.00
PDATES	Machinery, Equipment, and Vehicles Books and Other	\$875,000.00 \$69,000.00	\$28,460.00 \$5,900.00	\$8,900.00	\$894,560.00
PDATES	Machinery, Equipment, and Vehicles Books and Other Governmental Activities - Government or Enterprise	\$275,000 00 \$89,000,00 Accumulated Depreciation Beginning Balance as of July 1, 2020	\$28,460.00 \$5,900.00 Additions	\$8,900.00 \$8,000.00 Reductions	\$894,560.00 \$65,590.00 \$65,590.00 Ending Balance as of June 30, 2021
PDATES	Machinery, Equipment, and Vehicles Books and Other Governmental Activities - Government or Enterprise Infrastructure	S875,000.00 S89,000.00 Accumulated Depreciation Beginning Balance as of July 1, 2020 S8.88	\$28,460.00 \$5,900.00 Additions \$0.00	\$8,900.00 \$8,000.00 Reductions \$0.00	\$884,560.00 \$86,900.00 Ending Balance as of June 30, 2021 \$8.88
SSETS IPDATES OR 2021	Machinery, Equipment, and Vehicles Books and Other Governmental Activities - Government or Enterprise Infrastructure Buildings	S875,000.00 S89,000.00 Accumulated Depreciation Beginning Balance as of July 1, 2020 S8.88 S0.00	\$28,460.00 \$5,900.00 Additions \$0.00 \$0.00	\$8,900.00 \$8,000.00 Reductions \$0.00	\$884,560.00 \$66,500.00 Ending Balance as of June 30, 2021 \$8.88 \$0.00
IPDATES	Machinery, Equipment, and Vehicles Books and Other Governmental Activities - Government or Enterprise Infrastructure Buildings Improvements Other Than Buildings	\$875,000.00 \$89,000.00 Accumulated Depreciation Beginning Balance as of July 1, 2020 \$8.88 \$0.00 \$0.00	\$28,460.00 \$5,900.00 Additions \$0.00 \$0.00	\$8,900.00 \$8,000.00 Reductions \$0.00 \$0.00	\$884,660.00 \$65,900.00 \$65,900.00 Ending Balance as of June 30, 2021 \$8.88 \$0.00

CHECKLIST FOR CAPITAL ASSETS Maintain Capital Asset Threshold Policy for Audit Establish a Depreciation Method Document estimated useful lives of the capital assets Update Capital Asset Ledger Confirm AFR beginning balance agrees to Capital Asset Ledger Post additions and reductions from Capital Asset Ledger for 2021 Confirm AFR ending balance agrees to Capital Asset ledger Calculate Accumulated Depreciation as of January 1, 2020 – see video from July Calculate annual depreciation for 2021 – See video from July Monthly Meeting Confirm AFR balances for accumulated depreciation agree with records







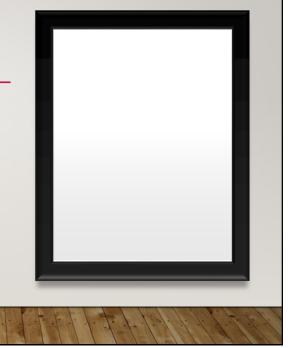


CHECKLIST OF SHORT-TERM DEBT

- □ Identify short-term debt issuances
- ☐ Identify the purpose of the debt issuances and provide a description
- Determine the beginning balance of each debt issuance
- □Determine additions and reductions in short-term debt balances
- Determine the ending balance of each debt issuance

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TAX ABATEMENTS



"A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which

TAX ABATEMENTS

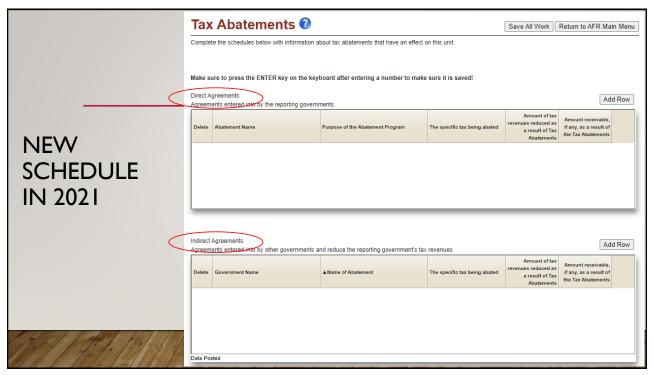
- (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and
- (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments."

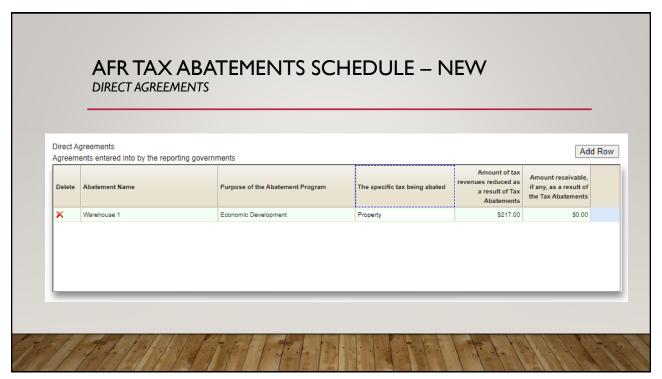
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TAX ABATEMENTS

GASB 77 requires the disclosure of

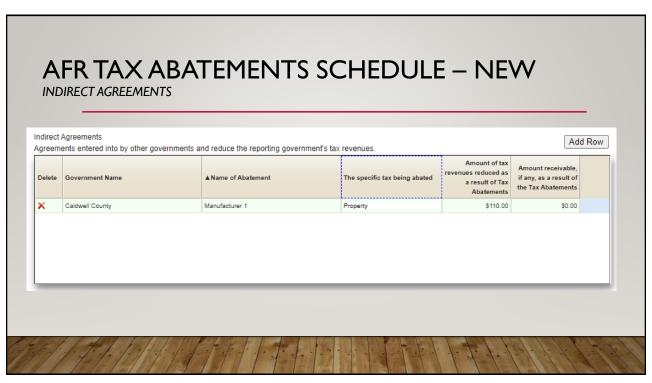
- (1) your own unit's tax abatement agreements (called direct agreements) and
- (2) tax abatement agreements entered into by other governments that reduce the reporting government's tax revenue (called indirect agreements.)



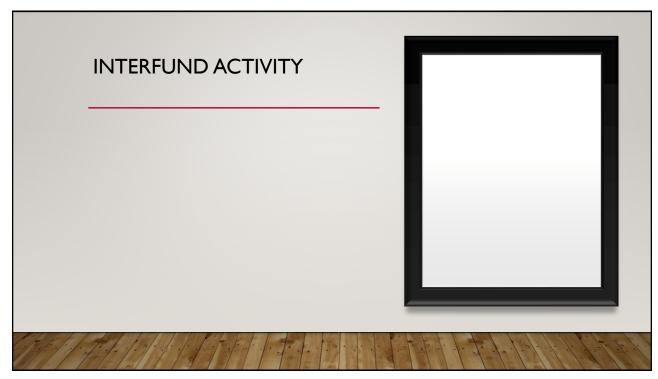


APPLICATION FOR DEDUCTION FROM ASSESSED VALUATION OF STRUCTURES IN ECONOMIC REVITALIZATION AREAS (ERA) State Form 18379 (R14 / 6-16) Prescribed by the Department of Local Government Finance Reset Form 20 PAY 20 FORM 322 / RE						
SECTION V - FOR AREAS EXCEPT FOR A RESIDENTIALLY DISTAPROVED BEFORE JULY 1, 2013 - DEDITED APPROVED APPROV						
1 20 pay 20 \$ 100% * % \$ 2 20 pay 20 \$ 66% * % \$ 3 20 pay 20 \$ 33% * % \$	8 20 pay 20 \$ 13% * % \$ (9) For deductions allowed over a nine (9) year period:					

CHECKLIST DIRECT TAX ABATEMENTS CReep tax abatement agreements, ordinances or resolutions for audit CReep DLGF Forms (e.g. Form 322-RE) for audit Cather information needed for AFR: CAbatement Name CPurpose of the Abatement Program CSpecific tax being withheld CAmount of tax abatement for reported year (2021) CAmount Receivable as a result of the tax abatement, if any Calculate amount of tax revenue forgone ("deduction" x local tax rate)

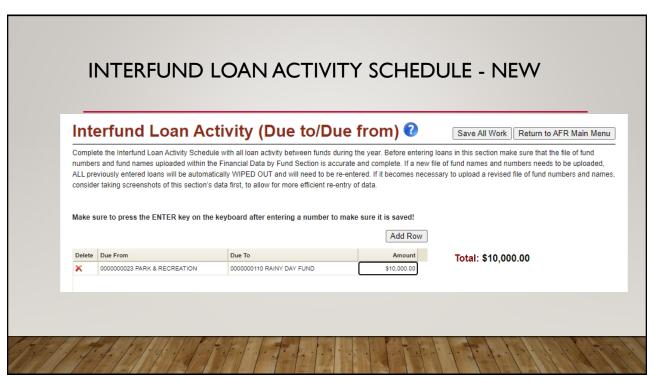


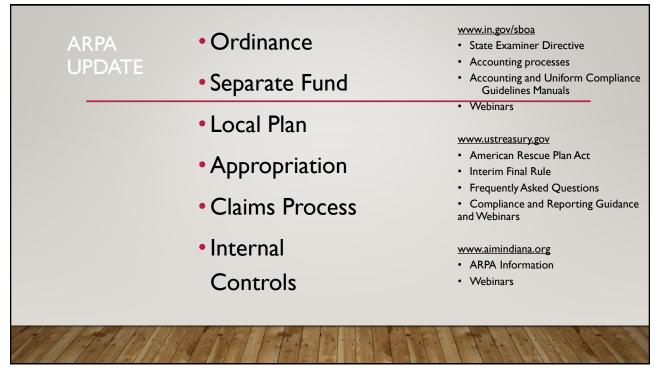
CHECKLIST INDIRECT TAX ABATEMENTS Gather information needed for AFR from County Auditor: Government Name Name of Abatement Specific tax being withheld Amount abated in reporting year (2021) Amount receivable as a result of the tax abatement, if any Calculate amount of tax revenue forgone ("deduction" x local tax rate)



INTERFUND ACTIVITY

- Indiana Cod 36-1-8-4
- The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision if all these conditions are met...
- Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs...





CONTACT INFORMATION • Todd Caldwell or Susan Gordon • Cities.towns@sboa.in.gov • 317-232-2513