



# CHANGES IN THE AFR

## County Auditor Fall Conference

### October, 2019



# Overview

## Regulatory Basis of Accounting and Reporting

- Prescribed by the State Examiner

## GAAP Basis of Accounting and Reporting

- Generally Accepted Accounting Principles



## GAAP - Indiana Statutory Requirements

### IC 5-1-11.5-4 - GAAP Reporting Required

- Counties: Population greater than 100,000
- Bond Issuance after June 30, 2020



## Updates to the Regulatory Report Format

- Elements of GAAP Reporting
- Note Disclosures
- Financial Statement



## SBOA Website Information

Hot Topics ▾

### 2019 Gateway - Annual Financial Report (AFR) Changes

Local units should review these changes carefully as they will need to ensure they are collecting the information required for the updated AFR submission.

[Schedule of Regulatory Changes](#)

[www.in.gov/sboa](http://www.in.gov/sboa)



## Schedule of Regulatory Changes

Current Regulatory	Regulatory for 2019 Calendar Year Units	Regulatory for 2020 Calendar Year Units
<p><b>FINANCIAL STATEMENTS</b></p> <p><b>Statement of Receipts, Disbursements, and Cash and Investment Balances</b></p> <ul style="list-style-type: none"> <li>- Shows total receipts, disbursements, and ending balance for each fund</li> </ul>	<p><b>FINANCIAL STATEMENTS</b></p> <p><b>Statement of Receipts, Disbursements, and Cash and Investment Balances</b></p> <ul style="list-style-type: none"> <li>- The Combining Schedules from the supplementary information will be shown as the Statement of Receipts, Disbursements, and Cash and Investment Balances</li> <li>- Shows detailed, instead of total, receipts and disbursements for each fund and ending balance (i.e. receipts from taxes, charges for services, intergovernmental, etc.)</li> </ul>	<p><b>FINANCIAL STATEMENTS</b></p> <p><b>Statement of Receipts, Disbursements, and Cash and Investment Balances</b></p> <ul style="list-style-type: none"> <li>- Financial statement will show fund type classifications. The information submitted in Gateway will be aggregated and presented in the appropriate fund type classification.</li> <li>- Fund types shown will be as follows: General, Special Revenue, Capital Projects, Debt Service, Permanent, Enterprise, and Fiduciary</li> </ul>
<p><b>NOTES TO THE FINANCIAL STATEMENTS</b></p> <p><b>Summary of Significant Accounting Policies</b></p> <ul style="list-style-type: none"> <li>- Reporting entity</li> <li>- Basis of accounting</li> <li>- Cash and investments</li> </ul>	<p><b>NOTES TO THE FINANCIAL STATEMENTS</b></p> <p><b>Summary of Significant Accounting Policies</b></p> <ul style="list-style-type: none"> <li>- No changes to existing accounting policy notes</li> <li>- Added a section for capitalization thresholds to indicate what qualifies as a capital asset</li> </ul>	<p><b>NOTES TO THE FINANCIAL STATEMENTS</b></p> <p><b>Summary of Significant Accounting Policies</b></p> <ul style="list-style-type: none"> <li>- No changes</li> </ul>

Visit [www.in.gov/sboa](http://www.in.gov/sboa) to view the entire document



# Example Regulatory Report

STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS  
OF  
THE TOWN OF EXAMPLE  
EXAMPLE COUNTY, INDIANA  
January 1, 2019 to December 31, 2019

## County - Reglulatory Report



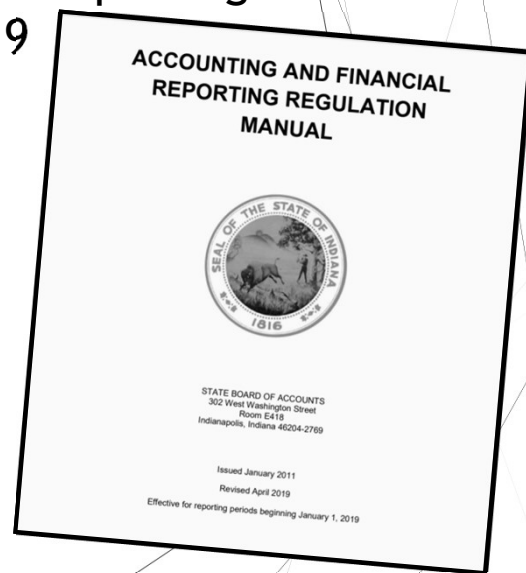
### Example Reports

The financial information filed within the AFR is used in the units' financial reports that are audited by the State Board of Accounts. These example reports show the format of what the unit's financial statement will look like with these new changes. Local officials may want to compare these reports to their most recent audit report to obtain a better understanding of the changes.



# Accounting and Financial Reporting Regulation Manual - 2019

[www.in.gov/sboa](http://www.in.gov/sboa)





# Financial Statement Presentation

## Statement of Receipts, Disbursements, and Cash and Investment Balances



Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
General	\$ 457,499	\$ 4,412,246	\$ 4,010,167	\$ 859,578
Accident Report	7,317	1,427	-	8,744
CEDIT County Share	195,039	495,838	529,273	161,604
City and Town Court Costs	97,845	5,690	-	103,535
Clerk's Records Perpetuation	39,422	12,050	886	50,586
Sales Disclosure - County Share	13,982	3,035	-	17,017
Cumulative Bridge	997,739	639,767	992,002	645,504
Cumulative Capital Development	479,884	295,893	216,459	559,318
Cumulative Courthouse	5,523	-	5,523	-
Drug Free Community	34,192	41,485	64,000	11,677
Emergency Planning/Right to Know	17,809	-	-	17,809
Enhanced Access Fund	1,258	4,762	5,363	657
Firearms Training	21,403	7,838	14,288	14,953
Health	23,924	103,695	110,726	16,893
Identification Security Protection	15,002	3,276	13,236	5,042
Levy Excess	99	-	99	-
Local Health Maintenance	14,938	39,423	46,249	8,112
Local Road and Street	118,124	307,250	130,752	294,622
LOIT Public Safety - County Share	-	940,012	751,374	188,638
Misdemeanant	20,773	12,985	8,954	24,804
Motor Vehicle Highway	806,036	2,921,235	2,726,375	1,000,896
Park Nonreverting Operating	25,705	5,065	8,854	21,916
Plat Book	9,952	9,100	4,770	14,282
Rainy Day	786	-	-	786
Reassessment - 2015	353,951	266,349	268,259	352,041
Recorder's Records Perpetuation	28,426	48,084	5,230	71,280
Riverboat	1,120,654	1,604,237	821,512	1,903,379



Example County  
Statement of Receipts, Disbursements, and  
Cash and Investment Balances - Regulatory Basis  
For the Year Ended December 31, 2019

	County General	Sheriff Accident Report	CAGIT County Certified Shares	Campaign Finance Enforcement	CEDT County Portion	City/Town Cost Cost	Clerk's Record Perpetuation	Comm Corr Project Income	Community Transition Program	County Sales Disclosure	Cum Bridge
Cash and investments - beginning	\$ 939,608	\$ 1,045	\$ 182,373	\$ 1,000	\$ 750,970	\$ 15,232	\$ 73,686	\$ 90,806	\$ 21,434	\$ 78,912	\$ 1,663,628
Receipts:											
Taxes	4,292,252	-	-	-	-	-	-	-	-	-	1,396,502
Licenses and permits	94,273	-	-	-	-	-	-	-	-	-	-
Intergovernmental	6,038,165	-	-	-	2,387,982	-	-	-	-	-	158,678
Charges for services	736,590	-	-	-	-	-	-	-	-	18,210	-
Fines and forfeits	444,521	-	-	-	-	29,482	61,885	258,362	-	-	-
Other receipts	12,301,468	16,257	-	-	-	2,900	6,019	7,439	9,300	-	75
Total receipts	23,907,269	16,257	-	-	2,387,982	32,382	67,904	265,801	9,300	18,210	1,555,255
Disbursements:											
Personal services	16,019,245	-	-	-	700,000	-	53,299	239,762	-	-	456,955
Supplies	667,267	-	-	-	-	-	490	6,199	3,507	-	35,215
Other services and charges	5,312,236	-	-	-	1,069,764	30,775	-	52,241	962	-	539,082
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,253,799	10,385	-	-	-	-	-	835	-	-	663,908
Other disbursements	16,476	-	182,374	-	-	-	-	-	-	-	-
Total disbursements	23,268,823	10,385	182,374	-	1,769,764	30,775	53,789	299,028	4,469	-	1,695,160
Excess (deficiency) of receipts over disbursements	638,446	5,872	(182,374)	-	618,218	1,607	14,115	(33,227)	4,831	18,210	(139,905)
Cash and investments - ending	\$ 1,578,054	\$ 6,917	\$ (1)	\$ 1,000	\$ 1,369,188	\$ 16,839	\$ 87,801	\$ 57,579	\$ 26,265	\$ 97,122	\$ 1,523,723

The notes to the financial statements are an integral part of this statement.



## Financial Statement - Draft Regulatory Format 2020

TOWN OF EXAMPLE, EXAMPLE COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
For the Year Ended December 31, 2020

Town of Example  
Statement of Receipts and Disbursements  
December 31, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Fiduciary Fund	Totals
Cash and investments - beginning	\$ 57,257	\$ 1,209,029	\$ 1,031,317	\$ 6,594,453	\$ 1,474,857	\$ 213,864	\$10,580,777
Receipts							
Taxes	1,576,512	711,758	338,496	-	-	167,949	2,794,715
Licenses and permits	6,285	5,420	6,951	-	-	-	18,656
Intergovernmental	249,708	454,924	22,399	-	-	-	727,031
Charges for services	55,650	673,250	32,405	-	-	-	761,305
Fines and forfeits	706	992	-	-	-	-	1,698
Utility fees	-	-	-	-	2,275,463	-	2,275,463
Other receipts	9,143	128,894	8,219	4,614,205	225,377	599,740	5,585,578
Total receipts	1,898,004	1,975,238	408,470	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	75,068	123,703	-	-	-	-	198,771
Other services and charges	463,030	1,284,744	236,869	-	39,054	34,439	2,058,136
Debt service - principal and interest	-	-	-	4,902,756	-	-	4,917,604
Capital outlay	16,129	220,274	75,000	-	-	-	311,403
Utility operating expenses	-	-	-	-	1,142,595	-	1,142,595
Other disbursements	36,231	14,996	-	-	725,193	596,224	1,372,644
Total disbursements	1,869,926	2,242,163	311,869	4,902,756	2,449,763	737,114	12,513,591
Excess (deficiency) of receipts over disbursements	28,078	(266,925)	96,601	(288,551)	51,077	30,575	(349,145)
Cash and investments - ending	\$ 85,335	\$ 942,104	\$ 1,127,918	\$ 6,305,902	\$ 1,525,934	\$ 244,439	\$10,231,632

The notes to the financial statements are an integral part of this statement.



## Statement of Receipts, Disbursements, and Cash and Investment Balances

2018

- Shows total receipts, disbursement and ending balance for each fund

2019

- Shows detailed, instead of total, receipts and disbursements for each fund and ending balance.

2020

- Financial Statement will show fund type classifications.
- Fund types shown will be as follows: General, Special Revenue, Capital Projects, Debt Service, Permanent, Enterprise, and Fiduciary

No AFR  
Changes  
for 2019

2020?

## Regulatory Report Format Long-Term Debt Information *2019 Updates*



STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769





# 2018 AFR Unit Questions

**Gateway** INDIANA  
for government units

An Information for Indiana Data Site

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## AFR Unit Questions ?

**5. Does your unit have any outstanding debt?**

Debt can be in the form of bonds, notes, loans, or judgments payable over more than one year. Leases are considered separately (see question 6 below).

Yes  No



# 2018 AFR Debt Schedule

**Gateway** INDIANA  
for government units

An Information for Indiana Data Site

## Governmental Activities

Delete	Debt Class	Description or Purpose	Ending Principal Balance as of Dec. 31, 2018	Principal and Interest Due in 2019
X	Revenue Bonds	Econ Redev. Special Revenue Tax Bonds Series 2013A \$2,580,000 at Wynne Farms	\$2,010,000.00	\$187,590.00
X	General Obligation Bonds	2015 GO Bond-Mixed Use Development	\$1,445,000.00	\$224,500.00

## WATER

Delete	Debt Class	Description or Purpose	Ending Principal Balance as of Dec. 31, 2018	Principal and Interest Due in 2019
X	Revenue Bonds	Waterworks Revenue Bonds for \$2,000,000 Series 2003	\$675,000.00	\$145,330.00





# Audit Report Schedules

(2018 and years prior)

## SCHEDULE OF LEASES AND DEBT December 31, 2017

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	2015 GO Bond-Mixed Use Development		\$ 1,820,000	\$ 228,300
General obligation bonds	2016 GO Bond-WWTP		2,000,000	234,600

\*Unaudited Supplementary Information



# Supplementary Information

### OTHER INFORMATION - UNAUDITED

The County's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifonline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the County's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the County. It is presented as intended by the County.



# Independent Auditor's Report

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.



## 2019 Updates - Debt

### Financial Statement Note Disclosure

- **Changes in long-term debt**
  - *Beginning and ending balances*
  - *Activity during the year*
  - *Payment due in next year*
  
- **Debt service requirements to maturity**
  - *Payments for the next five years*
  - *Payments in five-year increments until maturity*
  - *DLGF amortization schedule*



# Debt Management Report

(information already submitted)

Reported by major class of long-term liabilities

Separated into Governmental Activities and Enterprise Activities

Separately reports the portion due of each debt type within one year from the end of the reporting period

Amortization Schedule



# 2019 Gateway Changes

	Debt Class	Description or Purpose	Beginning Principal	Additions	Reductions	Ending Principal Balance as of December 31, 201X	Principal and Interest Due in 201X
	Governmental Activities						
	Other Enterprise						
	Other Enterprise						
	Other Enterprise						



# 2019 Audit Reports

## Note X. Long-term Debt

### A. Changes in Long-term Debt

Changes in long-term obligations for the year ended December 31, 2019, are as follows:

<u>County</u>	<u>Beginning Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Principal Balance</u> <u>12/31/19</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 605,000	\$ 72,756	\$ 92,756	\$ 585,000	\$ 42,526
<u>Memorial Coliseum</u>					
Notes and Loans Payable	2,812,824	1,500,000	1,673,000	2,639,824	279,889
<b>Totals</b>	<b>\$ 3,417,824</b>	<b>\$ 1,572,756</b>	<b>\$ 1,765,756</b>	<b>\$ 3,224,824</b>	<b>\$ 322,415</b>



# 2019 Audit Reports

### B. Debt Service Requirements to Maturity

Debt service requirements on long-term debt at December 31, 2019, are as follows:

<u>General Government</u> <u>Year Ended</u> <u>December 31</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,000	\$ 22,526	\$ 42,526
2021	20,000	22,101	42,101
2022	30,000	21,538	51,538
2023	40,000	23,587	63,587
2024	50,000	24,567	74,567
2025-2029	425,000	128,178	553,178
	<u>\$ 585,000</u>	<u>\$ 242,497</u>	<u>\$ 827,497</u>



## Checklist - Long-Term Debt

- Identify long-term debt by major class
- Identify each major class by activity
- Determine the beginning balance of each debt class by activity
- Determine additions and reductions in long-term debt balances
- Determine the ending balance of each debt class by activity
- Determine the portion of each long-term debt type due within one year
- Complete Debt Management Report information
- Update Debt Management Report as needed



## Audit Information - Long-Term Debt

- Bond Ordinances
- Debt Instruments with Amortization Schedules
- Ledger Balances and activity for each Bond Fund
- Bank Reconciliations
- Claims and Supporting Documentation for payments
- Internal Controls Over Financial Transactions and Reporting

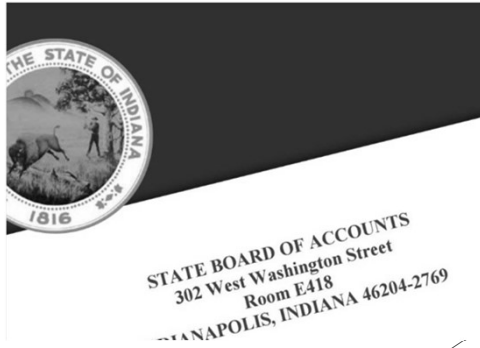


# Long-term Debt

- Current**
  - Included in Supplementary Information section as the Schedule of Leases and Debt
- 2019**
  - Removed from Supplementary Information and presented as a Note Disclosure
  - Beginning and Ending Balances; Additions and Reductions during the period
  - Schedule of principal and interest payments until maturity
- 2020**
  - No Changes

AFR  
Changes  
for  
2019

# Regulatory Report Format Lease Information *2019 Updates*





# 2018 AFR Unit Questions

INDIANA  
**Gateway**  
for government units

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## AFR Unit Questions ?

<p><b>5. Does your unit have any outstanding debt?</b> Debt can be in the form of bonds, notes, loans, or judgments payable over more than one year. Leases are considered separately (see question 6 below).</p>	<input checked="" type="radio"/> Yes <input type="radio"/> No
<p><b>6. Does your unit have any outstanding leases?</b> A contract by which one party conveys land, property, services, etc., to another for a specified time, usually in return for a periodic payment.</p>	<input checked="" type="radio"/> Yes <input type="radio"/> No



# 2018 AFR Lease Schedule

INDIANA  
**Gateway**  
for government units

An *Information for Indiana* Data Site

## Leases ?

### Governmental Activities

Delete	Lessor	Description or Purpose	Annual Lease Payment Due in 2019	Lease Beginning Date MM/DD/YYYY	Lease Ending Date MM/DD/YYYY
X	EDC Lease Rental Rev Ref Bonds of 2016	Northfield Drive - 56th to 267	\$784,000.00	08/30/2016	02/01/2029
X	EDC Lease Rental Bonds of 2015A \$7,575,000	Ronald Reagan	\$381,000.00	07/01/2015	08/01/2039
X	EDC Lease Rental Bonds of 2015A \$6,770,000	Tilden Road	\$514,000.00	07/01/2016	01/01/2035



# Audit Report Schedules

(2018 and years prior)

## \*Unaudited Supplementary Information

### SCHEDULE OF LEASES AND DEBT December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Brownsburg Fire Station Building Corp \$1 460 000 First Mortgage Refunding Bond	Downtown Fire Station	\$ 164,000	7/1/2015	1/1/2025
Brownsburg Municipal Building Corp. 1st Mortgage Refunding Bonds Series 2013	Municipal Complex	1,181,000	7/15/2013	1/15/2025



# 2019 Updates -Leases

## Financial Statement Note Disclosure

- **General Description of Leasing Arrangements**
  - *including lease term*
  
- **Principal and Interest Requirements to Maturity**
  - *Debt Management Report Amortization Schedule*





## 2019 Audit Reports

### Note X. Leases

The County has entered into a lease for ten police cars. The lease term began on January 15, 2017, and ends on July 15, 2027. The lease is being paid in semi-annual installments as defined in the schedule of rental payments of the lease agreement.

Principal and interest requirements to maturity as of December 31 2019, are as follows:

Year Ended December 31	Principal	Interest	Total
2020	\$ 29,976	\$ 2,372	\$ 32,348
2021	29,976	1,746	31,722
2022	29,976	1,130	31,106
2023	29,976	490	30,466
2024	29,976	334	30,310
2025-2027	<u>149,880</u>	<u>3,065</u>	<u>152,945</u>
Totals	<u>\$ 299,760</u>	<u>\$ 9,137</u>	<u>\$ 308,897</u>



## Checklist - Leases

- General Description of Lease Arrangements
- Name of Lessor
- Lease Beginning Date
- Lease Ending Date
- Annual Lease Payment
- Complete Debt Management Report information
- Update Debt Management Report as needed

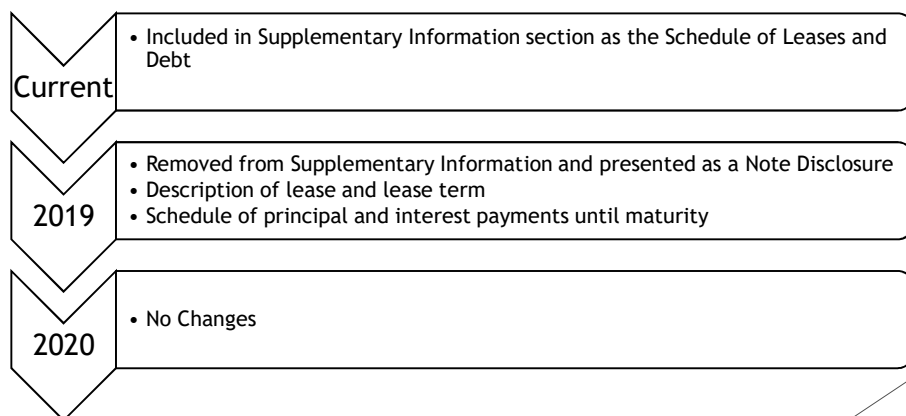


## Audit Information - Leases

- Lease Agreements
- Claims and Supporting Documentation for payments
- Internal Controls Over Financial Transactions and Reporting



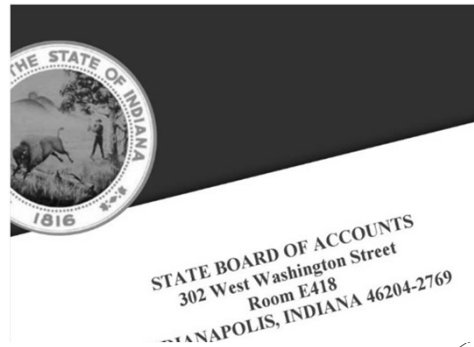
## Leases



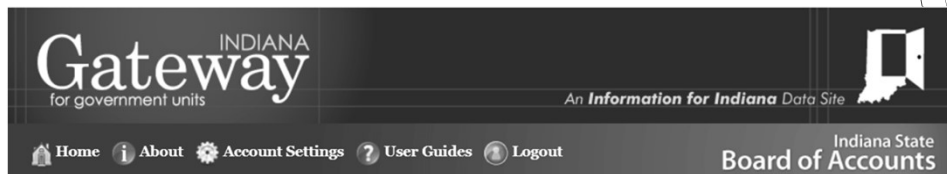
AFR  
Changes  
for  
2019

# Regulatory Report Format Capital Asset Information

## 2019 Updates



## 2018 Unit Questions



### AFR Unit Questions

7. Do you maintain records listing the types and values of assets owned by the unit?

Assets include land, buildings, infrastructure, vehicles, equipment, etc.



# 2018 Gateway Reporting

## Capital Assets ?

Save All Work    Return to AFR Main Menu

Using your Capital Asset records complete the Schedule of Capital Assets (land, building, equipment, etc) as of the end of the year. If you have infrastructure, but don't have valuations for it, submit the Annual Report with a temporary value of \$ 9.99 and estimate the value later. See [this page](#) for information on various methodologies for estimating the value of infrastructure. Once you have estimated the value, correct the Annual Report and resubmit.

Make sure to press the ENTER key on the keyboard after entering a number to make sure it is saved!

Government or Enterprise	Land	Infrastructure	Building	Improvements Other Than Buildings	Machinery, Equipment, and Vehicles	Construction In Progress	Books and Other
Governmental Activities	\$100,000.00	\$5,810,000.00	\$2,500,000.00	\$980,000.00	\$1,250,000.00	\$5.00	500000



# 2018 Regulatory Format

(and years prior)

\*Supplementary Information

\*Ending Balance Only

SCHEDULE OF CAPITAL ASSETS  
December 31, 2018

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 8,430,725
Infrastructure	63,010,585
Buildings	43,886,956
Improvements other than buildings	523,563
Machinery, equipment, and vehicles	10,157,032
Books and other	6,934
<b>Total capital assets</b>	<b>\$ 126,015,775</b>



## 2019 Updates - Capital Assets

- Capital Asset Additions and Reductions
- Supplementary Information for 2019
- Financial Statement Note Disclosure 2020



## Which capital assets go on the schedule?

Capitalization Policy

Inventory

Useful Life



## Summary of Significant Accounting Policies Capital Assets - 2019 and beyond

- Classes of Assets
- Historical Cost
- Capitalization Policy and Threshold

### H. Capital Assets

Capital assets, which include land, construction in progress, buildings, improvements other than buildings, machinery, equipment, vehicles, books, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the capital asset schedule contained in the supplemental information. Items are capitalized when their value exceeds the threshold established by the Town and its estimated useful life is greater than one year.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Donated assets, donated works of art, historical treasures, and similar assets and capital assets received in a service concession arrangement are reported at acquisition value. Renovations to buildings and other improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are considered an operating expense.

The capital asset threshold established by the Town is \$5,000.



## 2019 Gateway Reporting

Government or Enterprise	Beginning Balance January 1, 20XX	Additions	Reductions	Ending Balance December 31,
<b>General Government Activities</b>				
Land				
Infrastructure				
Building				
Improvements other than Buildings				
Machinery, Equipment and Vehicles				
Construction in Progress				
Books and Other				
<b>Total</b>				
<b>Other Enterprise</b>				
<b>Total Capital Assets</b>				



## 2019 Supplementary Information

### Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

County Assets	Beginning Balance 01/01/19	Additions	Reductions	Ending Balance 12/31/19
<b>General Government Activities</b>				
Land	\$ 1,371,633	\$ 500,000	\$ 49,682	\$ 1,821,951
Infrastructure	1,591,231	352,789	256,251	1,687,769
Buildings	25,348,431	3,500,000	1,750,000	27,098,431
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	9,476,302	2,000,000	1,260,350	10,215,952
Construction in Progress	75,000	25,000	-	100,000
<b>Total general government capital assets</b>	<b>\$ 37,787,597</b>	<b>\$ 6,352,789</b>	<b>\$ 3,316,283</b>	<b>\$ 40,824,103</b>
<b>Memorial Coliseum</b>				
Land	\$ 484,622	\$ 50,000	\$ 40,020	\$ 484,622
Infrastructure	5,716,235	200,000	-	5,916,235
Building	19,961,506	-	500,000	19,461,506
Improvements other than Buildings	-	-	-	-
Machinery, Equipment, and Vehicles	2,366,162	-	50,788	2,315,374
Construction in Progress	-	-	-	-
<b>Total memorial coliseum capital assets</b>	<b>\$ 28,528,525</b>	<b>\$ 250,000</b>	<b>\$ 590,808</b>	<b>\$ 28,177,736</b>



## Capital Assets - 2020 Updates

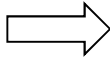
- ▶ Removed from Supplementary Information section
- ▶ Added to Notes to Financial Statements section
- ▶ Beginning Balance, Additions, Reductions, Ending Balance by Activity and Class as in 2019
- ▶ Accumulated Depreciation for depreciable assets



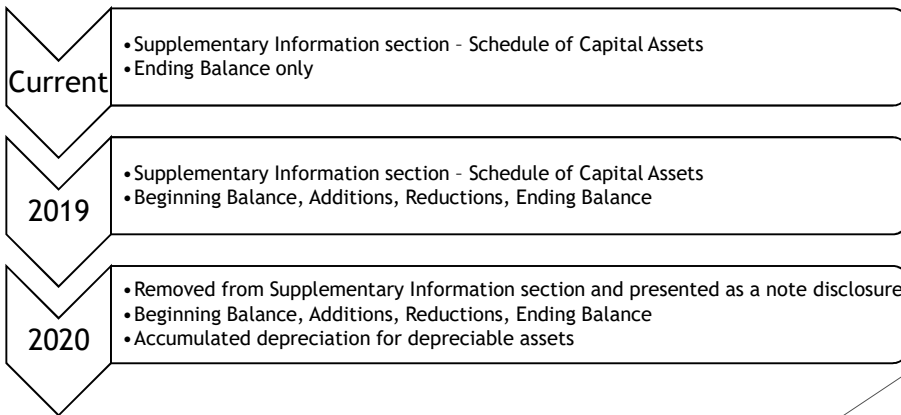
# Capital Asset Note (draft) - 2020

## Note X. Capital Assets

General Government Assets	Beginning Balance 01/01/20	Additions	Reductions	Ending Balance 12/31/20
<b>Capital assets not being depreciated</b>				
Land	1,371,633	500,000	49,682	1,821,951
Construction in progress	75,000	25,000	-	100,000
<b>Total capital assets not being depreciated</b>	<b>1,446,633</b>	<b>525,000</b>	<b>49,682</b>	<b>1,921,951</b>
<b>Capital assets being depreciated</b>				
Infrastructure	1,591,231	352,789	256,251	1,687,769
Buildings	25,348,431	3,500,000	1,750,000	27,098,431
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	9,476,302	2,000,000	1,260,350	10,215,952
<b>Total capital assets being depreciated</b>	<b>36,415,964</b>	<b>5,852,789</b>	<b>3,266,601</b>	<b>39,002,152</b>
<b>Less: Accumulated depreciation</b>				
Infrastructure	106,612	23,637	17,169	113,080
Buildings	1,698,345	234,500	117,250	1,815,595
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	634,912	134,000	84,443	684,469
<b>Total accumulated depreciation</b>	<b>2,439,870</b>	<b>392,137</b>	<b>218,862</b>	<b>2,613,144</b>
<b>Net capital assets being depreciated</b>	<b>\$ 33,976,094</b>	<b>\$ 5,460,652</b>	<b>\$ 3,047,739</b>	<b>\$ 36,389,008</b>



# Capital Assets



AFR  
Changes  
for  
2019





## Checklist

- Establish Capitalization Policy
- Maintain Capital Assets Ledger (prescribed form)
- Identify Capital Assets by Activity
- Identify Capital Assets by Major Class
- Confirm Beginning Balance for 2019
- Report Additions to Capital Assets
- Report Reductions in Capital Assets
- Compare Ending Balance to Capital Assets Ledger
- Document Basis for Valuation and Estimated Useful Life
- Establish Internal Controls



## 2019 Audit Information

- ▶ Capitalization Policy
- ▶ Capital Assets Ledger
- ▶ Supporting Documentation
- ▶ Documented Basis for Asset Valuation
- ▶ Documented Basis for Estimated Useful Lives
- ▶ Internal Controls

# Additional Updates to Regulatory Report Format 2019 Notes

Interfund Transfers

Deficit Fund Balances

Pensions and OPEB

Other Note Disclosures



## Interfund Activity

A transfer permanently moves money from one fund to another.

An interfund loan is a temporary transfer and must be paid back to the original fund.

- ❖ Indiana Code 36-1-8-4



# Interfund Transfers

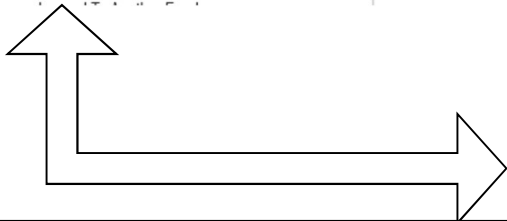
## 2018 AFR Information

### Other Disbursements

Disbursement Classification	Amount
Payments To or On Behalf of Beneficiaries	
Payment of Taxes and Other Payroll Withholdings	
Distributions to Other Governmental Entities	
Transfer Out - Transferred To Another Fund	\$1,200.00

### Other Receipts

Receipt Classification	Amount
Sale of Investments	
Earnings on Investments and Deposits	
Proceeds from Tax Anticipation Warrants	
Proceeds from Borrowings other than Tax Anticipation Warrants	
Sale of Capital Assets	
Refunds and Reimbursements	
Benefit Plan Contributions	
Donations, Gifts, and Bequests	
Payroll Fund and Clearing Account Receipts	
Transfers In - Transferred from Another Fund	\$1,200.00



# Interfund Transfers

## Transfer Schedule

Add Row

Delete	Transfer_From	Transfer_To	Amount
X	0061 RAINY DAY FUND	0101 TOWNSHIP FUND	\$25.22
X	0061 RAINY DAY FUND	0840 TOWNSHIP ASSISTANCE ▼	\$50.00
X	0105 EXCESS LEVY	9999 PAYROLL DEDUCTIONS	\$120.00



## Interfund Transfers

### 2019 AFR Schedule

Transfer From	Transfer To	Amount
Fund name	Drop down	\$ -
Fund name		-
Fund name		-
Fund name		-
Fund name		-
<b>Total</b>		<b>\$ -</b>



## Interfund Transfers

### Note to the Financial Statements for 2019

**Note X. Interfund Activity**

Interfund transfer activity for the year ended December 31, 2019, is as follows:

Transfer From	Transfer to			Total
	General	Motor Vehicle Highway	Supplemental Beverage & Beverage	
General	\$ -	\$ 300,000	\$ 7,500	\$ 307,500
Motor Vehicle Highway	2,000	-	-	2,000
Museum Coliseum - Operating	-	-	15,000	15,000
<b>Total</b>	<b>\$ 2,000</b>	<b>\$ 300,000</b>	<b>\$ 22,500</b>	<b>\$ 324,500</b>

*With explanation of transfers which do not occur on a routine basis*



## Interfund Activity Note - 2019

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.



## Interfund Activity - 2020

- ▶ Interfund Transfer information will be required as in 2019
- ▶ Interfund Loans not repaid by 12/31 will be included on a Schedule
  - ▶ an interfund loan is a temporary transfer and must be paid back to the original fund.
- ▶ Explanation as to why the amounts were not repaid



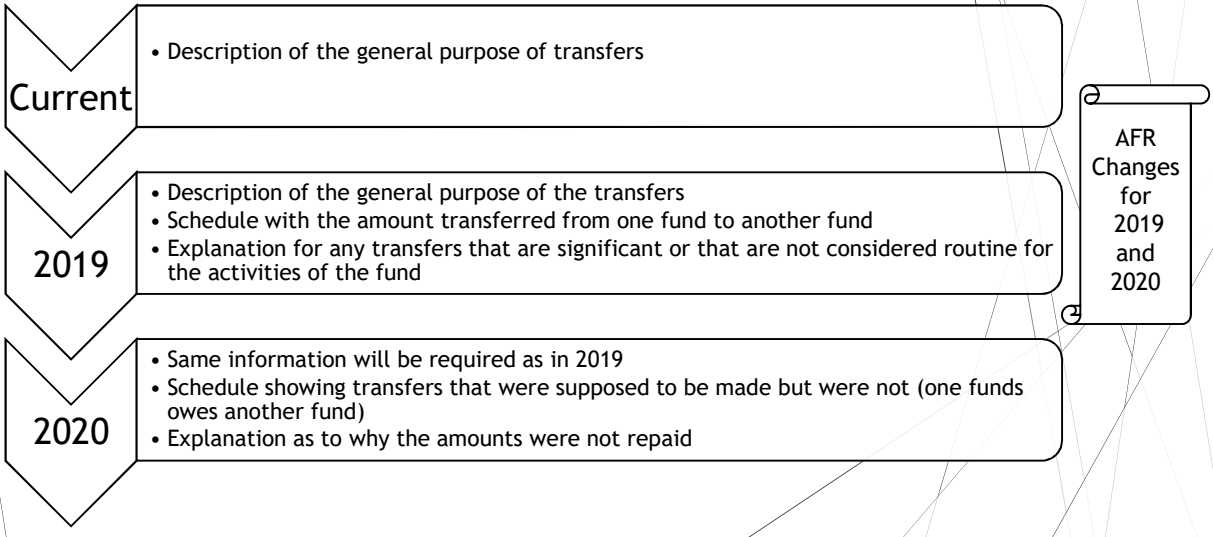
## Draft Note - 2020 Interfund Loans

The composition of due to/from funds as of December 31, 2020, is as follows:

<u>Due From</u>	<u>Due To</u>				<u>Total</u>
	<u>General</u>	<u>Parks</u>	<u>Water - Depreciation/Imp</u>	<u>Stormwater Operating</u>	
General	\$ -	\$ 6,000	\$ 2,000	\$ 3,824	\$ 11,824
Parks	7,181	-	-	-	7,181
Water Operating	6,145	415	834	-	
Wastewater Operating	-	3,800	500	-	4,300
<b>Total</b>	<b>\$ 13,326</b>	<b>\$ 10,215</b>	<b>\$ 3,334</b>	<b>\$ 3,824</b>	<b>\$ 23,305</b>



## InterFund Activity





# Deficit Fund Balances

## Note to the Financial Statements for 2019

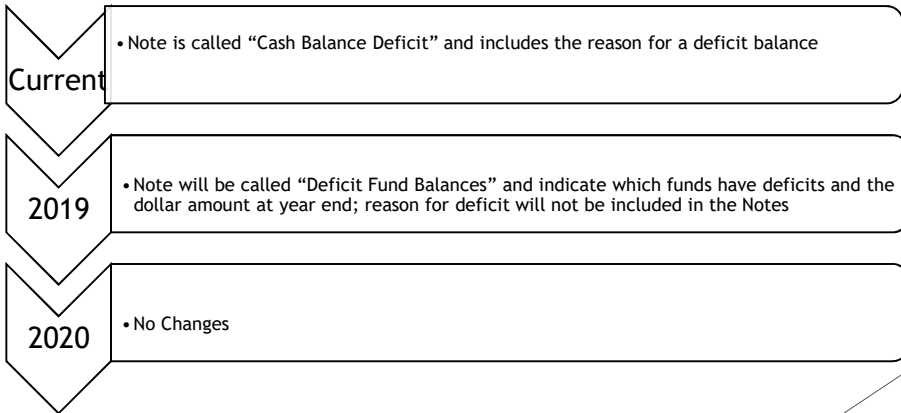
**Note X. Deficit Fund Balances**

The following funds have deficit fund balances at December 31, 2019:

Urban Conservation	\$ (4,214)
Cemetery Fund	(1,998)
Wage Garnishment W/H	<u>(19,341)</u>
 Total deficit fund balances	 <u>\$ (25,553)</u>



# Deficit Fund Balances



No AFR Changes



## Significant Contingent Liabilities

- Description of the contingent liability
- Dollar amount

**Note X. Significant Contingent Liabilities**

A jury awarded \$50,000 to a former employee of the County for alleged wrongful termination of employment. The County has appealed the judgment on the basis of errors in the judge's instructions to the jury and insufficiency of evidence to support the amount of the jury's awards.

The final resolution of this matter is not expected to have a material effect on the County's financial position.



## Significant Commitments

- Description of the Commitment
- Dollar Amount

**Note X. Significant Commitments**

The County has a contractual obligation to purchase a building during the year ended December 31, 2019, in the amount of \$200,000.





## Subsequent Events

- Description of the Event
- Dollar Amount

### **Note X. Subsequent Events**


The County entered into an agreement with a developer on January 15, 2020, to initiate a housing development on property owned by the County Redevelopment Commission. The housing development is expected to cost \$2,500,000.



## Pensions

### **Pensions**

- Most information is already submitted in Gateway
- Gateway will contain additional drop-down questions to contribute more detail to the note disclosure



## AFR - Pensions

Year: 2018

### Pensions ?

---

1. Please indicate if your unit offers any of these pension plans to your Employees. Check all that apply.

Public Employees Retirement Fund      1925 Police Pension Fund  
 Teachers Retirement Fund                  1937 Firefighter's Pension Fund  
 Police Pension Fund - First Class Cities    1977 Police and Firefighter's Pension Fund

2. Does your unit have any other pension plans where the employer makes contributions to the plan or funds any part of the benefits?


Yes    No

Add a plan entry in the table below for each additional plan the unit has.

3. When complete, mark the form as completed.

This form is complete



## 2018 AFR - Pensions

### Pensions ?

---

1. Please indicate if your unit offers any of these pension plans to your Employees. Check all that apply.

Public Employees Retirement Fund      1925 Police Pension Fund  
 Teachers Retirement Fund                  1937 Firefighter's Pension Fund  
 Police Pension Fund - First Class Cities    1977 Police and Firefighter's Pension Fund

2. Does your unit have any other pension plans where the employer makes contributions to the plan or funds any part of the benefits?

Yes    No

Add a plan entry in the table below for each additional plan the unit has.

Plan Name	Edit	Delete	Required Fields Complete

This form is not complete



## 2019 AFR: Pensions

Type of Pension Plan

Single Employer Defined Benefit  
 Cost-Sharing Multiple Employer Defined Benefit  
 Agent Multiple-Employer Defined Benefit  
 Defined Contribution

Select the benefits provided under this pension plan

Retirement Income  
 Death benefits  
 Life Insurance  
 Disability benefits  
 Other

Select the Indiana Code that applies to this plan

Municipal Utility Employees' Pension Fund	IC 8-1.5-3-7
City Hospitals - Third Class Cities	IC 16-23-1-25(c)
Housing Authorities	IC 36-7-18-10(d)
Department of Redevelopment	IC 36-7-14-12.2(17)
Deferred Compensation	IC 5-10-1.1



## 2019 AFR: Pensions (continued)

Does the plan have any terms related to vesting?

Yes No

If yes, list the terms that must be met to vest

Does the plan have any terms related to forfeitures (i.e. benefits payable to a plan member must be forfeited in the event the member is convicted of a crime)?

Yes No

Upload the policy for using the forfeited amounts

Upload file option





# OPEB - 2019 and beyond

- ▶ Plan description
- ▶ Benefits provided
- ▶ Actuarial information, *if any*
- ▶ Contributions

**Note X. Other Postemployment Benefits**

*Single-Employer Defined Benefit Plan*

*Sample County Retiree Benefits Plan*

*Plan Description*

The County's defined benefit OPEB plan, Sample County Retiree Benefits Plan (SCRBP), provides OPEB for all permanent full-time general and public safety employees of the County. SCRBP is a single-employer defined benefit OPEB plan administered by the Sample County Employees Retirement System (SCERS). Chapter 21 of the Sample County Code grants the authority to establish and amend the benefit terms to the SCERS Board of Trustees (SCERS Board). SCERS issues a publicly available financial report that can be obtained at [Internet address].

*Benefits Provided*

STRBP provides healthcare and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

At December 31, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1,307
Inactive employees entitled to but not yet receiving benefit payments	142
Active employees	<u>8,356</u>
	<u>9,805</u>



# 2019 AFR: OPEB

<b>OPEB Plan</b>	
Name of the OPEB Plan	<input style="width: 100%;" type="text"/>
Type of OPEB Plan	<input type="checkbox"/> Single Employer Defined Benefit <input type="checkbox"/> Cost-Sharing Multiple Employer Defined Benefit <input type="checkbox"/> Agent Multiple-Employer Defined Benefit <input type="checkbox"/> Defined Contribution
Select the benefits provided under this OPEB plan	<input type="checkbox"/> Medical <input type="checkbox"/> Dental <input type="checkbox"/> Vision <input type="checkbox"/> hearing <input type="checkbox"/> Death benefits <input type="checkbox"/> Life insurance <input type="checkbox"/> Disability <input type="checkbox"/> Long-term care <input type="checkbox"/> Other



## 2019 AFR: OPEB (continued)

<b>Plan Administrator</b>	
Company Name	
Street Address	
City	
State	
Zip (e.g. 9999)	
Contact Person	
Phone (e.g. 999-999-9999)	
e-mail (e.g. example@example.com)	
Employer Sponsoring the Plan	
<b>Current Number of Participants</b>	
Inactive employees or beneficiaries current receiving benefit payments	
Inactive employees entitled to but not yet receiving benefits	
Active employees	



## 2019 AFR: OPEB (continued)

<b>Actuarial Information</b>	
Has there been an actuarial valuation done for this plan?	Yes <span style="margin-left: 100px;">No</span>
When are you planning to have an actuarial valuation done?	<input type="checkbox"/> Next Year <input type="checkbox"/> Two Years <input type="checkbox"/> More Than Two Years <input type="checkbox"/> Do not intend to have an actuarial valuation done
<b>Contribution Rates (as a Percentage of Payroll)</b>	
Employer	
Plan Members	
Annual Covered Payroll	
Cost Method for Funding Purposes	
	Unit Credit Projected Unit Credit Entry Age Normal (% Salary) Entry Age Normal (Level Dollar) Aggregate Attained Age Normal Individual Aggregate Frozen Initial Liability Individual Level Premium Pay as you go Other (please specify)



## Recap 2019 Updates to the Regulatory Format

### Financial Statement

Statement of Receipts, Disbursements, and  
Cash and Investment Balances - Regulatory Basis

### Supplementary Information

Schedule of Capital Assets  
Schedule of Payables and Receivables *(removed)*  
Schedule of Debt and Leases *(removed)*  
Schedule Receipts, Disbursements, and  
Cash and Investment Balances *(removed)*

### Note Disclosures

Long Term Debt  
Leases  
Interfund Transfers  
Deficit Balances  
Pensions and OPEB  
Significant Contingent Liabilities  
Significant Commitments  
Subsequent Events



## Recap (continued) Updates to the Regulatory Format

*Through this process it is our goal to work with you as we  
provide the citizens of Indiana with complete confidence in the  
integrity and financial accountability of state and local  
government.*



# Contact Information

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Ricci Hofherr

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▶ 317-232-2512