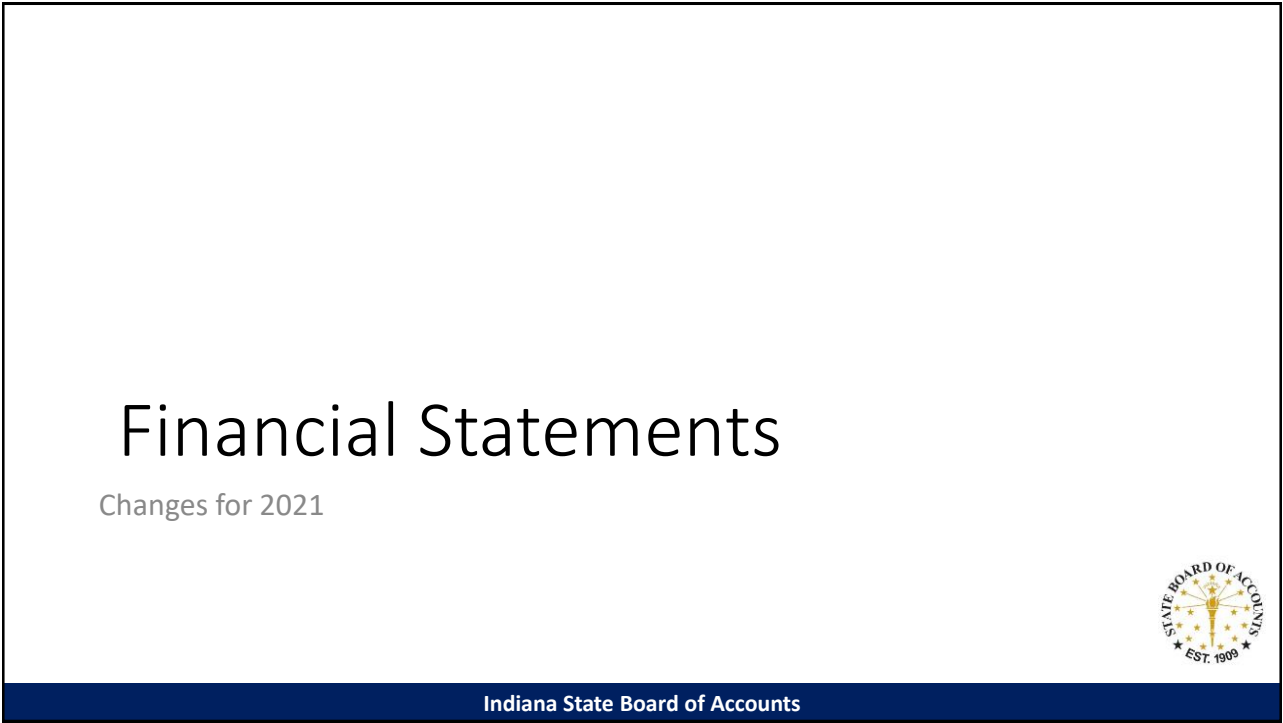




ENHANCED REGULATORY REPORTS

Auditor's Fall Conference
October 2021

1



Financial Statements

Changes for 2021

Indiana State Board of Accounts



2

Financial Statements

- Financial Statements will show fund type classifications. The information submitted in Gateway will be aggregated and presented in the appropriate fund type classification
- General Permanent Fund
- Special Revenue Enterprise Fund
- Capital Projects Fiduciary Fund
- Debt Service



Indiana State Board of Accounts

3

EXAMPLE UNIT STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS For the Year Ended December 31, 2021										
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Other Funds	Totals
Cash and investments - beginning	\$221,672	\$ 263,876	\$ 605,000	\$ 2,906	\$ -	\$ 1,756,670	\$ -	\$ 172,520	\$ -	\$ 3,022,644
Receipts										
Taxes	42,901	60,352	-	-	-	-	-	-	-	103,253
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	55,214	44,786	-	576	-	-	-	-	-	100,576
Charges for services	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	2,387,686	-	-	-	-
Penalties	-	-	-	-	-	3,615	-	-	-	3,615
Other receipts	72,756	31,841	72,756	-	-	1,725,523	-	762,042	125,313	2,790,231
Total receipts	170,871	136,979	72,756	576	-	4,116,824	-	762,042	125,313	2,997,675
Disbursements										
Personal services	32,722	33,764	-	-	-	585,722	-	-	-	652,208
Supplies	-	-	-	-	-	-	-	-	-	-
Other services and charges	30,923	28,932	-	-	-	46,090	-	-	-	105,945
Debt service - principal and interest	92,756	-	-	-	-	1,673,000	-	-	-	1,765,756
Capital outlay	1,698	17,488	92,756	600	-	7,775	-	-	-	120,317
Operating expenses	-	-	-	-	-	1,176,772	-	-	-	1,176,772
Other disbursements	66,771	81,777	-	-	-	761,617	-	837,100	125,313	1,872,578
Total disbursements	224,870	161,961	92,756	600	-	4,250,976	-	837,100	125,313	5,693,576
Excess (deficiency) of receipts over disbursements	(53,999)	(24,982)	(20,000)	(24)	-	(134,152)	-	(75,058)	-	(2,695,901)
Cash and investments - ending	\$167,673	\$ 238,894	\$ 585,000	\$ 2,882	\$ -	\$ 1,622,518	\$ -	\$ 97,462	\$ -	\$ 326,743

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

4

Receipt and Disbursement Classifications

- Fiduciary and Other Fund types – Settlement, Remittance, Payroll withholding
 - Receipts should be shown as "Other Receipts"
 - Disbursements should be shown as "Other Disbursements"



Indiana State Board of Accounts

5

Notes to Financial Statements

Changes for 2021



Indiana State Board of Accounts

6

Long Term Debt

- This is no longer shown in the supplementary schedules but is presented as a note disclosure.
- Beginning and ending balances are included
- Additions and reductions during the audit period
- Schedule of principal and interest payments until maturity
 - Five years are shown and then the remaining period in five-year aggregates

This schedule was to be based on the debt information already provided on Gateway to DLGF debt management



Indiana State Board of Accounts

7

Leases

- GASB 87 is on leases and eliminates the distinction between capital and operating leases.
- Report all leases that are longer than a year
- If you will own the asset as a result of the lease, the asset should be capitalized. If the lease allows you to operate asset but doesn't transfer ownership, do not capitalize
- In both cases, the note will disclose the purpose of the lease, lease term and amounts due within one year.
- This will also have a debt to maturity schedule



Indiana State Board of Accounts

8

Interfund Activities – Interfund Loans

- This is a schedule under the transfer schedule that presents any interfund loans that were not repaid by year end. It will show what one funds owes to the other fund.
- Disclosure requires the schedule and the reason the loan was not repaid by year end.



Indiana State Board of Accounts

9

Interfund Activities – Interfund Loans

- Schedule

Due From	Due To				Total
	General	Motor Vehicle Highway	Parks	Supplemental Beverage	
General	\$ -	\$ 6,000	\$ 2,000	\$ 3,824	\$ 11,824
Motor Vehicle Highway	7,181	-	2,867	-	10,048
Parks	6,145	415	834	-	-
Museum Coliseum - Operating	-	3,800	500	-	4,300
Total	\$ 13,326	\$ 10,215	\$ 6,201	\$ 3,824	\$ 26,172



Indiana State Board of Accounts

10

Significant Contingent Liabilities

- Any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred. If it is probable that an asset has been impaired or a liability incurred, but the effect of the impairment or liability has not been reflected in the financial statements because it can't be estimated.
- Disclose a description of the contingent liability and the dollar amount.



Indiana State Board of Accounts

11

Significant Commitments

- An existing arrangement to enter into future transactions or events, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes at specified quantities
- Disclose description and dollar amount



Indiana State Board of Accounts

12

Subsequent Events

- An event or transactions that occurs after the end of the reporting period but prior to the issuance of the financial statements. The most common one is the issuance of debt.
- Disclose description of the event and dollar amount



Indiana State Board of Accounts

13

Capital Assets and Depreciation

- The Capital Asset Schedule-Moved
 - Removed from supplemental schedules to note disclosure
 - Beginning and ending balances
 - Additions and deletions during the report year
- Accumulated Depreciation Schedule - NEW
 - Added to note disclosure with capital asset schedule
 - Beginning and balances for accumulated depreciation
 - Additions and deletions from accumulated depreciation



Indiana State Board of Accounts

14

Conduit Debt Obligations

- Certain limited obligation revenue bonds or similar debt instruments issued by the county for the express purpose of providing capital financing for a specific third party that is not part of the issuer's financial reporting entity. The County would have no obligation for the debt beyond the lease or loan with the third party.
- Disclose significant transactions and aggregate all outstanding conduit debt.



Indiana State Board of Accounts

15

Short Term Debt

- Debt arrangements that are paid off within a year. Examples are tax anticipation notes, lines of credits and other similar loans.
- Disclose beginning and ending balances; additions and reductions and a description of the purpose of the debt



Indiana State Board of Accounts

16

Short Term Debt

- Schedule

	Beginning Balance			Ending Balance
Purpose	01-01-21	Additions	Reductions	12-31-21
Tax anticipation warrants	\$ -	\$ 110,000	\$ (110,000)	\$ -
Line of Credit	\$ -	\$173,704,000	\$ 138,627,000	\$ 35,077,000
Total	\$ -	\$173,814,000	\$ 138,517,000	\$ 35,077,000



Indiana State Board of Accounts

17

Tax Abatements

- An agreement between one or more governments and an individual or entity in which (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.
- Disclose a description of tax abatement agreements; dollar amounts by which the tax revenue will be reduced; receivable amounts; and policies pertaining to significant tax abatement agreements.



Indiana State Board of Accounts

18

Tax Abatements

- Direct – abatements authorized by the County
 - More specific information required in note
 - Aggregate by major tax abatement program
 - Starts with year abatement begins and continues until abatement terminates
- Indirect – abatements authorized by a city or town that reduces the County’s tax revenue
 - Less information required in the note
 - Aggregate by city or town that approved the abatement
 - Starts with year abatement begins and continues until abatement terminates



Indiana State Board of Accounts

19

<u>Agreements entered into by the reporting government</u>			
Name and/or purpose of the tax abatement program	The specific tax being abated	revenues reduced as a result of Tax Abatements	Amount receivable, if any, as a result of the Tax Abatements
Economic Revitalization Area	Real Property Tax	\$ 2,254	\$
Economic Revitalization Area	Personal Property Tax	\$ 553.00	\$
<u>Agreements entered into by other governments and reduce the reporting government's tax revenues</u>			
Name of government entering into the tax abatement agreement	The specific tax being abated	revenues reduced as a result of Tax Abatements	Amount receivable, if any, as a result of the Tax Abatements
Hamilton County	Real Property Tax	\$ 10,429.00	\$
All Cities and Towns in Hamilton County	Real Property Tax	\$ 1,234.00	\$



Indiana State Board of Accounts

20

Note Disclosure – County Approved

- 1. Purpose of Abatement – Economic Development, Housing Construction,
- 2. Specific tax being abated – Real Property taxes, personal property taxes
- 3. Amount tax revenues were reduced in the year due to the tax abatement
- 4. Amount of receivable, if any that entity receiving the abatement is to pay



Indiana State Board of Accounts

21

Note Disclosure – City or Town Approved

- 1. City or Town that approved the Abatement
- 2. Type of tax that is abated – real or personal property
- 3. Tax revenue reduced as a result of the abatements in the report year.
- 4. Any receivables from the entity receiving the abatement



Indiana State Board of Accounts

22

Landfill Closure and Postclosure Care

- Costs incurred to provide the protection of the environment that occur near or after the date that a solid-waste landfill stops accepting waste and during the postclosure period. Costs include the cost of equipment and facilities (leachate collection systems and final cover) as well as cost of services to maintain monitor costs.



Indiana State Board of Accounts

23

Landfill Closure and Postclosure Care

- Note disclosure requires
 1. applicable laws and regulations
 2. length of time the county is responsible for closure and postclosure care
 3. landfill capacity used to date
 4. liability for closure and postclosure care
 5. financing for the postclosure care.



Indiana State Board of Accounts

24

Related Party Transactions

- Transactions that an informed observer might reasonably believe reflects considerations other than economic self-interest based upon the relationship that exists between the he parties to the transaction. The term is often used in contrast to arms-length-transactions.
- Disclose nature of the relationship and transaction that occurred; dollar amount of any receivables/payables.



Indiana State Board of Accounts

25

Joint Venture

- A legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint controls, in which the participants retains (a) ongoing financial interest or (b) an ongoing financial responsibility. Generally, the purpose of a joint venture is to pool resources and share the costs, risks and rewards of providing goods or services to the joint venture participants directly or for the benefit of the public or specific service recipients.
- Disclose a description of the joint venture and financial interest of the county in the joint venture.



Indiana State Board of Accounts

26

Supplemental Schedules

Changes for 2021



Indiana State Board of Accounts

27

Supplemental Schedules

- Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis
 - Moved from Financial Statements to Supplementary Information
 - Each Fund Type will have a separate combining schedule
 - Each fund shown separately in the combining schedules



Indiana State Board of Accounts

28

EXAMPLE UNIT									
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS - SPECIAL REVENUE FUNDS									
For The Year Ended December 31, 2021									
	Motor Vehicle Highway	Local Road & Street	Plat Book Fund	Supplemental Food & Beverage Fund	LOIT Special Distribution	Public Information Fund	Rainy Day Fund	Economic Dev - CREDIT	Total Special Revenue Funds
Cash and investments - beginning	\$ 195,680	\$ 9,538	\$ 5,100	\$ 1,313	\$ -	\$ 8,561	\$ 20,095	\$ 23,589	\$ 263,876
Receipts:									
Taxes	39,556	-	-	-	17,796	-	3,000	-	60,352
Licenses and permits	20,235	2,487	-	-	-	8,740	-	13,324	44,786
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and Forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	31,841	-	-	-	-	-	-	-	31,841
Total receipts	91,632	2,487	-	-	17,796	8,740	3,000	13,324	136,979
Disbursements:									
Personal services	23,764	-	-	-	-	10,000	-	-	33,764
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	3,711	-	14,706	10,246	-	269	-	-	28,932
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	1,988	-	2,500	-	13,000	-	-	17,488
Operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	77,509	-	-	-	-	495	-	3,773	81,777
Total disbursements	104,984	1,988	14,706	12,746	-	23,764	-	3,773	161,961
Excess (deficiency) of receipts over disbursements	(13,352)	499	(14,706)	(12,746)	17,796	(15,024)	3,000	9,551	(24,982)
Cash and investments - ending	\$ 182,328	\$ 10,037	\$ (9,606)	\$ (11,433)	\$ 17,796	\$ (6,463)	\$ 23,095	\$ 33,140	\$ 238,894

Indiana State Board of Accounts

Annual Financial Report

Changes for 2021



Indiana State Board of Accounts

Unit Questions

<p>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 fail to occur.</p>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<p>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.</p>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<p>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 or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or responsibility.</p>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<p>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.</p>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<p>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.</p>	<input type="radio"/> Yes <input checked="" type="radio"/> No
<p>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.</p>	<input type="radio"/> Yes <input checked="" type="radio"/> No



Additional Unit Questions

- Capital Asset Threshold Amount

- Has your unit established any of the following entities?
 - Holding Corporation (Building Corporation)
 - Redevelopment Authority
 - Land Bank



Questions

- Contact
- Ricci Hofherr or Lori Rogers
 - County Directors
- Counties@sboa.in.gov
- (317) 232-2512



Indiana State Board of Accounts