



Department of Local Government Finance

Auditor Conference October 2022

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Agenda

- Additional Appropriations
- CY 2022 Annexation Report
- 1782 Notices
- Certified Net Assessed Value
- Question and Answer Session



Pre-collected Q & A – Additional Appropriations

- The additional appropriation process allows units to increase their current year spending authority at the fund level above what was certified by the Department.
- Memo:
 - [Additional Appropriation Submission, Department Review Procedures, and Other Related Topics](#)
- Webinar - Additional Appropriations Online:
 - <https://youtu.be/8IQ9J-Akajo>



Pre-collected Q & A – Additional Appropriations

- Local and State Requirements
 - In addition to the local advertisement, meeting, and adoption requirements, all AAs need to be submitted to the Department for approval or acknowledgment via the Gateway AA Application.
 - For most AAs, the approval or acknowledgment documentation is immediately available in the AA Application.

ID	Year	Public Hearing Date	Resolution Date	Advertising Date	Email Recipient	Submitted By	Submission Date	Fund Preview	Request Amount Preview	Number of Funds	Petition Status	View/Edit Petition	DLGF Reviewed Order
1150751	2022	10/11/2022	10/11/2022	09/30/2022	blee@co.adams.in.us	Tony Mellencamp	10/12/2022 2:07:40 PM	9550	120000	0	Approved	Select	Report
1150539	2022	09/13/2022	09/13/2022	09/01/2022	blee@co.adams.in.us	Tony Mellencamp	9/15/2022 3:11:40 PM	9523	277560	0	Approved	Select	Report



Pre-collected Q & A – Additional Appropriations

- Deadline for AA Submissions
 - IC 6-1.1-18-5(e) confirms that the unit shall file the AA not later than 15 days after adoption.
 - If the additional appropriation is not submitted within 15 days of adoption, the Department may require the unit to conduct a new readoption hearing.
 - The AA application for Pay 2022 will remain open until December 31, 2022.



Pre-collected Q & A – Additional Appropriations

- AAs versus Reduction Resolutions
 - Occasionally, a unit will need to decrease their spending authority for a given year.
 - The AA process for a decrease is the same as the AA process for an increase.
 - As an alternative for an AA Reduction, a unit may adopt and submit a reduction resolution.



Pre-collected Q & A – Annexations

- The clerk of the municipality is tasked with filing an ordinance on an annexation or disannexation with the county auditor, circuit court clerk, and board of registration of each county.
- The county auditor shall forward a copy of any annexation ordinance filed by the clerk to the Department.
- Memo:
 - [Submission of Annexation Information](#)



Pre-collected Q & A – Annexations

- The request is for the actual recorded annexation order, and not the NAV associated with the annexation.
 - The Department will collect the NAV in July 2023.
- Counties with known annexations for CY 2022 should submit the order to their DLGF Field Representative.
 - 19 Counties have reported at least one annexation recorded in so far in CY 2022.



Pre-collected Q & A – 1782s

- As part of the 2022 Webinar series, the Department recorded a presentation that covers concepts of the 1782 Report including:
 - What the 1782 report contains.
 - How the units should use the 1782.
 - How units should reply to the 1782.
- Webinar: 1782 Notices Overview
 - https://youtu.be/BDv_tUgVBc8



Pre-collected Q & A - 1782s

- The Department maintains several unique contacts lists but will only use the email addresses listed in Gateway Budget as 1782 recipients.

Current Year Financial Worksheet: Additional Calculations for Form 4B	✓
Debt Worksheet	✓
Form 1: Budget Estimate	✓
Form 2: Estimate of Miscellaneous Revenues	✓
Form 3: Notice to Taxpayers	✓
Form 4: Ordinance / Resolution of Appropriations and Tax Rates	✓
Form 4B: Budget Estimate, Financial Statement and Proposed Tax Rate	✓
1782 Recipients: Registration of 1782 Notice E-mail Recipients	✓

This form has been submitted.
Submitted on 10/5/2022 10:41:30 AM



Pre-collected Q & A - 1782s

- On the front page of the 1782, the report will contain the last day to provide a response.

Units must respond to this notice within 10 calendar days with requested changes as specified in IC 6-1.1-17-16(g). No extension will be granted. If no response is received, the budgets, rates and levies identified in this 1782 Notice will be certified in the final budget order for your county.

Your response must be received no later than November 22, 2021

- Responses collected after the deadline will not be considered as part of the certification.



Pre-collected Q & A - 1782s

- The estimated release date for the first round of 1782s is Thursday, November 10. Last year, 52% of all units in the State received their 1782 on or around November 10.
- The units that are included in the first release are largely made up of units that adopted and submitted their budget information earlier in the cycle.
- If a unit answers yes to either question on the Form 4, the 1782 may also be delayed until later in the cycle.

In accordance with IC 6-1.1-17-16(k), we state our intent to issue debt after December 1 and before January 1.

Yes No

In accordance with IC 6-1.1-17-16(k), we state our intent to file a shortfall appeal after December 1 and before December 31 .

Yes No



Certification of Net Assessed Values

- At the Spring Conference, the Budget Division and Assessment Directors did a joint presentation and Q&A on:
 - CNAV requirements
 - Statutory deadlines
 - CNAV Gateway Reports
 - CNAV by District Report
 - CNAV by Detail by District and Fund
 - Submission procedures
 - State review of County Certified Figures



CNAV Submission Statistics

- Before analyzing the auditor’s submission of the CNAV, let’s start with a comparison of Roll and Balance reporting.

	2021 Roll and Balance Real Property + Personal Property	2022 Roll and Balance Real Property + Personal Property
On Time	64.00	92.00
July 2 – July 31	95.00	82.00
August 1 or Later	25.00	10.00

- The number of counties on time for both for rolling and balancing both Real and Personal Property in 2021 and 2022: 17.00



CNAV Submission Statistics

- For 2022, there was an improvement in the number of counties that certified by August 1.

	2021 CNAV ¹	2022 CNAV ¹
On Time	32.00	39.00
August 2 – August 30	40.00	38.00
September 1 or Later	19.00	14.00

- The number of counties on time for submitting their 2021 and 2022 CNAVs: 23.00.



CNAV Submission - Amendments

- Certification requires counties to provide additional information if changes exceed +/-10% in a specific AV type in taxing district.
- After certification, including researching these additional questions, six counties amended their original certification.

County	Note
County A	County identified issue, contacted Department, and resubmitted.
County B	Individual Taxpayer incorrectly reported their personal property amount by \$50M
County C	Individual Taxpayer incorrectly reported their personal property amount by \$50M
Example 1	County originally reported increase of \$15M (+414% increase) in Total Personal Property.
Example 2	County originally reported decrease of \$23.4M (-94% decrease) in Total Personal Property.
Example 3	County originally reported increase of \$364M (+1075.40% increase) in Total Personal Property.



CNAV Submission – Example 1 Amended CNAV

- Grain Elevator Company incorrectly completed the Form 104 by reporting their personal property at \$20M instead of \$3.1M.
- Auditor later certified an amended value of \$4,352,640 for the taxing district.

Total Personal Property Net AV			<input type="checkbox"/> Annexation	Increase of assessed value due to market.
2022:	\$3,571,272	414%	<input type="checkbox"/> Consolidation	
2023:	\$18,350,719		<input type="checkbox"/> Construction	
			<input type="checkbox"/> Taxpayer addition	
			<input type="checkbox"/> Taxpayer removal	
			<input checked="" type="checkbox"/> Other	



CNAV Submission – Example 2 Amended CNAV

- County identified an issue with roll and balance with the county assessor. The assessor included the values in the roll, but the values were not with Auditor when they certified.
- Provided an amended value of \$19,963,160.

<p>██████████</p> <p>Total Personal Property Net AV</p> <p>2022: \$24,800,540</p> <p>2023: \$1,489,040</p>	<p>-94%</p>	<p><input type="checkbox"/> Annexation</p> <p><input type="checkbox"/> Consolidation</p> <p><input type="checkbox"/> Construction</p> <p><input type="checkbox"/> Taxpayer addition</p> <p><input checked="" type="checkbox"/> Taxpayer removal</p> <p><input type="checkbox"/> Other</p>	<p>Several personal properties not taxed due to assessment of less than \$80,000.</p>
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CNAV Submission – Example 3 Amended CNAV

- County was aware new personal property moving into the County, but missed adding the abatements for the new development.
- Provided an amended value of 38,302,340.

Year	Total Personal Property Net AV	Support
2022	37,318,500	
2023	401,323,940	Added new Wind Farm and Solar Park
Percent Change	1075.40%	



Discussion – Conversations w/ Assessor

- Does the assessor discuss notable changes in the gross assessed value for each taxing district?
- Does the assessor discuss appeals (Form 11) filed?
- Does the assessor discuss potential Abatements?
- Does the assessor discuss which parts of the county are currently going through cyclical reassessment?
- Does the assessor provide regular updates on their progress with their Sales Data submission, Ratio Studies approval, and proximity to Roll Avs:
 - <https://www.in.gov/dlgef/files/maps/2023-Budget-Status.pdf>



Discussion – Conversations w/ Auditor Office

- What are the prerequisite steps for preparing for the assessor Roll?
- What are the prerequisite steps for preparing for the DECAF submission?
- Other than the DECAF questions about +/- 10% changes by type, how else does the auditor review their CNAV?
- How often are the specific exemptions, deductions, abatements tied to each parcel reviewed by the county auditor?
- How does county let their units know that the CNAV is available, what they know about the changes, and how the CNAV may impact the tax rates?