STATE BOARD OF ACCOUNTS
AIM Budget Workshops
Spring, 2019

Welcome!

Mission Statement
We are dedicated to providing the citizens of the State of Indiana with complete confidence in the integrity and financial accountability of state and local government

www.in.gov/sboa
Overview

GAAP Basis of Accounting and Reporting
- Generally Accepted Accounting Principles

Regulatory Basis of Accounting and Reporting
- Prescribed by the State Examiner

Generally Accepted Accounting Principles (GAAP)
- Standardized Reporting Framework
- Accountability and Transparency
- Financial Statement Users
IC 5-1-11.5-4 - GAAP Reporting Required

- Population greater than 75,000
- Bond Issuance after June 30, 2020

IC 5-11-1-30 - Request for GAAP Audit

- Council Resolution
- SBOA has 60 days to approve/disapprove
- Statutory reasons for disapproval
GAAP - Indiana Statutory Requirements

GAAP Reporting Notification and Requests

Email: Engagementstrategies@sboa.in.gov

Timeframe

Updates to the Regulatory Report Format

- Elements of GAAP Reporting
- Note Disclosures
- Financial Statement
Regulatory Report Format
Long-Term Debt Information

2019 Updates

2018 AFR Unit Questions

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).
# 2018 AFR Debt Schedule

## Governmental Activities

<table>
<thead>
<tr>
<th>Delete</th>
<th>Debt Class</th>
<th>Description or Purpose</th>
<th>Ending Principal Balance as of Dec. 31, 2018</th>
<th>Principal and Interest Due in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Revenue Bonds</td>
<td>Econ Redevelopment, Special Revenue Tax Bonds Series 2013A $2,500,000 at Wynne Farms</td>
<td>$2,010,000.00</td>
<td>$187,500.00</td>
</tr>
<tr>
<td>X</td>
<td>General Obligation Bonds</td>
<td>2015 GO Bond Mixed Use Development</td>
<td>$1,445,000.00</td>
<td>$224,500.00</td>
</tr>
</tbody>
</table>

## WATER

<table>
<thead>
<tr>
<th>Delete</th>
<th>Debt Class</th>
<th>Description or Purpose</th>
<th>Ending Principal Balance as of Dec. 31, 2018</th>
<th>Principal and Interest Due in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Revenue Bonds</td>
<td>Waterworks Revenue Bonds for $2,000,000 Series 2003</td>
<td>$675,000.00</td>
<td>$145,330.00</td>
</tr>
</tbody>
</table>

## Audit Report Schedules

(2018 and years prior)

### SCHEDULE OF LEASES AND DEBT

December 31, 2017

<table>
<thead>
<tr>
<th>Type</th>
<th>Description of Debt</th>
<th>Ending Principal Balance</th>
<th>Principal and Interest Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental activities:</td>
<td>General obligation bonds</td>
<td>2015 GO Bond Mixed Use Development</td>
<td>$1,820,000</td>
</tr>
<tr>
<td></td>
<td>General obligation bonds</td>
<td>2016 GO Bond-WWTP</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

*Unaudited Supplementary Information*
Supplementary Information

OTHER INFORMATION - UNAUDITED

The Town’s Annual Financial Report information can be found on the Indiana Gateway for Government Units website: https://gateway.ifionline.org/.

*****

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

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

<table>
<thead>
<tr>
<th>Debt Class</th>
<th>Description or Purpose</th>
<th>Beginning Principal</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Principal Balance as of December 31, 201X</th>
<th>Principal and Interest Due in 201X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Enterprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Enterprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Enterprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


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:

<table>
<thead>
<tr>
<th>Town (non-Utility)</th>
<th>Revenue Bonds</th>
<th>Other Bonds</th>
<th>Water Utility</th>
<th>Notes and Loans Payable</th>
<th>Wastewater Utility</th>
<th>Revenue Bonds</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beginning Balance 1/1/2019</td>
<td>Additions</td>
<td>Reductions</td>
<td>Ending Balance 12/31/19</td>
<td>Due Within One Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$605,000</td>
<td>$72,756</td>
<td>$92,756</td>
<td>$585,000</td>
<td>$42,526</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,573,795</td>
<td>201,621</td>
<td>111,054</td>
<td>3,664,362</td>
<td>30,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,812,824</td>
<td>1,500,000</td>
<td>1,673,000</td>
<td>2,639,824</td>
<td>278,718</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,750,000</td>
<td>3,000,000</td>
<td>3,137,000</td>
<td>2,613,000</td>
<td>191,560</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$9,741,619</td>
<td>$4,774,377</td>
<td>$5,013,810</td>
<td>$9,502,186</td>
<td>$542,804</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2019 Audit Reports

B. Debt Service Requirements to Maturity

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

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Town Debt Service (non-utility)</th>
<th>Other Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2019</td>
<td>20,000</td>
<td>22,526</td>
</tr>
<tr>
<td>2020</td>
<td>30,000</td>
<td>22,101</td>
</tr>
<tr>
<td>2021</td>
<td>30,000</td>
<td>21,538</td>
</tr>
<tr>
<td>2022</td>
<td>30,000</td>
<td>20,751</td>
</tr>
<tr>
<td>2023-2017</td>
<td>150,000</td>
<td>19,851</td>
</tr>
<tr>
<td>2028-2032</td>
<td>180,000</td>
<td>83,504</td>
</tr>
<tr>
<td>2033-2035</td>
<td>125,000</td>
<td>51,291</td>
</tr>
<tr>
<td></td>
<td>565,000</td>
<td>241,562</td>
</tr>
</tbody>
</table>

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

Regulatory Report Format
Lease Information

2019 Updates
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).

6. Does your unit have any outstanding leases?
A contract by which one party conveys land, property, services, etc., to another for a specified time, usually in return for a periodic payment.

2018 AFR Lease Schedule

**Leases ?**

<table>
<thead>
<tr>
<th>Delete</th>
<th>Lessor</th>
<th>Description or Purpose</th>
<th>Annual Lease Payment Due in 2019</th>
<th>Lease Beginning Date MM/DD/YYYY</th>
<th>Lease Ending Date MM/DD/YYYY</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>EDC Lease Rental Rev Ref Bonds of 2016</td>
<td>Northfield Drive - 56th to 267</td>
<td>$784,000.00</td>
<td>08/30/2016</td>
<td>02/01/2029</td>
</tr>
<tr>
<td>X</td>
<td>EDC Lease Rental Bonds of 2015A $7,575,000</td>
<td>Ronald Reagan</td>
<td>$381,000.00</td>
<td>07/01/2015</td>
<td>08/01/2039</td>
</tr>
<tr>
<td>X</td>
<td>EDC Lease Rental Bonds of 2015A $6,770,000</td>
<td>Tilden Road</td>
<td>$514,000.00</td>
<td>07/01/2016</td>
<td>01/01/2035</td>
</tr>
</tbody>
</table>
Audit Report Schedules
(2018 and years prior)

*Unaudited Supplementary Information

SCHEDULE OF LEASES AND DEBT
December 31, 2017

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Purpose</th>
<th>Annual Lease Payment</th>
<th>Lease Beginning Date</th>
<th>Lease Ending Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brownsburg Fire Station Building Corp $1 460 000</td>
<td>$164,000</td>
<td>7/1/2015</td>
<td>1/1/2025</td>
<td></td>
</tr>
<tr>
<td>First Mortgage Refunding Bond</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brownsville Municipal Building Corp. 1st Mortgage Refunding Bonds Series 2013</td>
<td>1,181,000</td>
<td>7/15/2013</td>
<td>1/15/2025</td>
<td></td>
</tr>
<tr>
<td>Municipal Complex</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Supplementary Information

OTHER INFORMATION - UNAUDITED

The Town’s Annual Financial Report information can be found on the Indiana Gateway for Government Units website: [https://gateway.ifionline.org/](https://gateway.ifionline.org/).

*****

The other information presented was approved by management of the Town. It is presented as intended by the Town.
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 - 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 to the Financial Statements
Leases

The Town has entered into a lease for three police cars. The lease term began on January 15, 2018, 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:

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$29,976</td>
<td>$2,372</td>
<td>$32,348</td>
</tr>
<tr>
<td>2021</td>
<td>$29,976</td>
<td>$1,746</td>
<td>$31,722</td>
</tr>
<tr>
<td>2022</td>
<td>$29,976</td>
<td>$1,130</td>
<td>$31,106</td>
</tr>
<tr>
<td>2023</td>
<td>$29,976</td>
<td>$490</td>
<td>$30,466</td>
</tr>
<tr>
<td>2024</td>
<td>$29,976</td>
<td>$334</td>
<td>$30,310</td>
</tr>
<tr>
<td>2025-2027</td>
<td>$149,880</td>
<td>$3,065</td>
<td>$152,945</td>
</tr>
</tbody>
</table>

Totals: $299,760, $9,137, $308,897

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

Regulatory Report Format
Capital Asset Information

2019 Updates
Accounting for Capital Assets

- Accounting and Uniform Compliance Guidelines Manuals
- Bulletins
- www.in.gov/sboa

Prescribed Form

CAPITAL ASSETS LEDGER

<table>
<thead>
<tr>
<th>FUND</th>
<th>DEPARTMENT OR BUILDING</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date of Purchase</th>
<th>Description of Asset</th>
<th>Serial Number</th>
<th>Location of Asset</th>
<th>Original Cost of Asset</th>
<th>Estimated Life of Asset</th>
<th>Date of Disposal of Asset</th>
<th>Amount Received on Disposal or Trade in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Types of Capital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
</tr>
<tr>
<td>Buildings</td>
</tr>
<tr>
<td>Improvements Other Than Buildings</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
</tr>
<tr>
<td>Construction in Progress</td>
</tr>
<tr>
<td>Total Capital Assets</td>
</tr>
</tbody>
</table>
2018 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**

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, do not have valuations for it, submit the Annual Report with a temporary value of $0.99 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!

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Land</th>
<th>Infrastructure</th>
<th>Building</th>
<th>Improvements Other Than Buildings</th>
<th>Machinery, Equipment, and Vehicles</th>
<th>Construction in Progress</th>
<th>Books and Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td>$0.00</td>
<td>$288,383.00</td>
<td>$333,251.00</td>
<td>$150,998.00</td>
<td>$227,012.00</td>
<td>$0.09</td>
<td>$0.00</td>
</tr>
<tr>
<td>WASTEWATER UTILITY (Wastewater)</td>
<td>$8,223.00</td>
<td>$351,065.00</td>
<td>$312,936.00</td>
<td>$51,080.00</td>
<td>$581,027.00</td>
<td>$0.09</td>
<td>$0.00</td>
</tr>
<tr>
<td>WATER UTILITY (Water Utility)</td>
<td>$994.00</td>
<td>$434,725.00</td>
<td>$122,478.00</td>
<td>$9,996.00</td>
<td>$189,264.00</td>
<td>$0.09</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
2018 Regulatory Format
(and years prior)

*Supplementary Information

*Ending Balance Only

*Compliance

2019 Updates - Capital Assets

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

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

### Beginning Balance 2019

- **2018 AFR Ending Balance**

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Land</th>
<th>Infrastructure</th>
<th>Building</th>
<th>Improvements Other Than Buildings</th>
<th>Machinery, Equipment, and Vehicles</th>
<th>Construction In Progress</th>
<th>Books and Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Activities</td>
<td>$2,503,201.43</td>
<td>$1,591,230.56</td>
<td>$17,735,531.14</td>
<td>$0.00</td>
<td>$19,679,705.95</td>
<td>$0.00</td>
<td>$1,362,750.62</td>
</tr>
<tr>
<td>STORM WATER (Storm Water Utility)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>WASTEWATER (Wastewater Utility)</td>
<td>$196,003.00</td>
<td>$4,280,364.73</td>
<td>$16,096,540.46</td>
<td>$0.00</td>
<td>$968,092.15</td>
<td>$16,600,000.00</td>
<td>$809,021.11</td>
</tr>
<tr>
<td>WATER (Water Utility)</td>
<td>$298,119.19</td>
<td>$1,435,930.23</td>
<td>$3,658,664.00</td>
<td>$0.00</td>
<td>$448,829.95</td>
<td>$0.00</td>
<td>$624,050.30</td>
</tr>
</tbody>
</table>
### Beginning Balance 2019

- **December 31, 2018 Capital Asset Ledger - Total Assets**

<table>
<thead>
<tr>
<th>Types of Capital Assets</th>
<th>Land</th>
<th>Infrastructure</th>
<th>Buildings</th>
<th>Improvements Other Than Buildings</th>
<th>Machinery and Equipment</th>
<th>Construction in Progress</th>
<th>Total Capital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Additions

<table>
<thead>
<tr>
<th>Date of Purchase</th>
<th>Description Include Name of Department or Office If General Fund</th>
<th>Serial/Identification Number</th>
<th>Location of Asset</th>
<th>Original Cost of Asset</th>
<th>Estimated Life of Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Types of Capital Assets</th>
<th>Land</th>
<th>Infrastructure</th>
<th>Buildings</th>
<th>Improvements Other Than Buildings</th>
<th>Machinery and Equipment</th>
<th>Construction in Progress</th>
<th>Total Capital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Reductions

<table>
<thead>
<tr>
<th>Date of Purchase</th>
<th>Description Include: Name of Department or Office if General Fund</th>
<th>Serial/Identification Number</th>
<th>Location of Asset</th>
<th>Original Cost of Asset</th>
<th>Estimated Life of Asset</th>
<th>Date of Disposal of Asset</th>
<th>Amount Received on Disposal or Trade in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Types of Capital Assets

<table>
<thead>
<tr>
<th>Land</th>
<th>Infrastructure</th>
<th>Buildings</th>
<th>Improvements Other Than Buildings</th>
<th>Machinery and Equipment</th>
<th>Construction in Progress</th>
<th>Total Capital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# Ending balance

<table>
<thead>
<tr>
<th>Land</th>
<th>Infrastructure</th>
<th>Buildings</th>
<th>Improvements Other Than Buildings</th>
<th>Machinery and Equipment</th>
<th>Construction in Progress</th>
<th>Total Capital Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Accounting and Reporting of Capital Assets

Frequently Asked Questions

How do we get started?

Gain an understanding of capital asset accounting

Implement Policies and Procedures

Maintain Capital Asset Ledger
What is a capital asset?
(GASB 34 para 19)

Land
Infrastructure
Buildings
Improvements other than Buildings
Machinery, Equipment & Vehicles
Construction in Progress
Books and Other

*used in operations
and
has a useful life
extending beyond
a single reporting
period

Which capital assets go on the schedule?

Capitalization Policy

Classes of Assets

Resources
How is a Capital Asset Valued?

Historical Cost

Estimating Historical Cost

- “Going Price” at the time of acquisition
- Consumer Price Index calculation
Land, Buildings, and Improvements
Other than Buildings

Infrastructure

Property that is stationary in nature and has a long life (e.g., roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems).
Construction Work in Progress

Machinery, Equipment, and Vehicles

www.richmondindiana.gov

www.townofchandler.org

www.brownsburgfire.org

www.townofplainfield.com
What is the useful life of a Capital Asset?

Capital Assets Ledger

Documented Basis for Determination

Resources

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

Sources

Bulletin and Uniform Compliance Guidelines
- Cities and Towns: Establishing the Estimated Cost of Capital Assets, June 2018 p. 29
- Cities and Towns: Inventories of Capital Assets, March 2014, p. 3

Accounting and Uniform Compliance Guidelines Manual
- Cities and Towns: Depreciation of Utility Assets, p. 3-55;
  Estimated Useful Lives of Capital Assets p. 3-58

SBOA Best practices; www.in.gov/sboa

Government Accounting Standards Board, GASB 34, www.gasb.org

Government Finance Officers Association, www.gfoa.org
- Estimated Useful Lives of Capital Assets
- Capitalization Thresholds for Capital Assets
- Control Over Items That are not Capitalized
Additional Updates to Regulatory Report Format
2019 Notes

Interfund Transfers
Deficit Fund Balances
Pensions and OPEB
Other Note Disclosures

Interfund Transfers

2018 AFR Information

Other Disbursements

<table>
<thead>
<tr>
<th>Disbursement Classification</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments To or On Behalf of Beneficiaries</td>
<td></td>
</tr>
<tr>
<td>Payment of Taxes and Other Payroll Withholdings</td>
<td></td>
</tr>
<tr>
<td>Distributions to Other Governmental Entities</td>
<td></td>
</tr>
<tr>
<td>Transfer Out - Transferred To Another Fund</td>
<td>$1,200.00</td>
</tr>
</tbody>
</table>

Other Receipts

<table>
<thead>
<tr>
<th>Receipt Classification</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of Investments</td>
<td></td>
</tr>
<tr>
<td>Earnings on Investments and Deposits</td>
<td></td>
</tr>
<tr>
<td>Proceeds from Tax Anticipation Warrants</td>
<td></td>
</tr>
<tr>
<td>Proceeds from Borrowings other than Tax Anticipation Warrants</td>
<td></td>
</tr>
<tr>
<td>Sale of Capital Assets</td>
<td></td>
</tr>
<tr>
<td>Refunds and Reimbursements</td>
<td></td>
</tr>
<tr>
<td>Benefit Plan Contributions</td>
<td></td>
</tr>
<tr>
<td>Donations, Gifts, and Bequests</td>
<td></td>
</tr>
<tr>
<td>Payroll Fund and Clearing Account Receipts</td>
<td></td>
</tr>
<tr>
<td>Transfers In - Transferred from Another Fund</td>
<td>$1,200.00</td>
</tr>
</tbody>
</table>
### Interfund Transfers

#### 2019 AFR Schedule

<table>
<thead>
<tr>
<th>Transfer From</th>
<th>Transfer To</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund name</td>
<td>Drop down</td>
<td>$  -</td>
</tr>
<tr>
<td>Fund name</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Fund name</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Fund name</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Fund name</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Fund name</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>$  -</td>
</tr>
</tbody>
</table>

### Note to the Financial Statements for 2019

With explanation of transfers which do not occur on a routine basis.
Deficit Fund Balances

Note to the Financial Statements for 2019

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

- Sanitation Revenue: $6,463
- Parks and Recreation: $9,606
- Community Development: $16,544

Total deficit fund balances: $32,613

Pensions

- Most information is already submitted in Gateway
- Gateway will contain additional drop-down questions to contribute more detail to the note disclosure
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
Other Post Employment Benefits (OPEB)

Information requested will be similar to pensions

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

2019 AFR: OPEB
2019 AFR: OPEB (continued)

### Plan Administrator
- 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

### Current Number of Participants
- Inactive employees or beneficiaries current receiving benefit payments
- Inactive employees entitled to but not yet receiving benefits
- Active employees

---

### Actuarial Information
- Has there been an actuarial valuation done for this plan?
- Yes
- No
- When are you planning to have an actuarial valuation done?
  - Next Year
  - Two Years
  - More Than Two Years
  - Do not intend to have an actuarial valuation done

### Contribution Rates (as a Percentage of Payroll)
- 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)
Other Note Disclosures

Significant Contingent Liabilities
- Description
- Dollar amount

Significant Commitments
- Description
- Dollar amount

Subsequent Events
- Description,
- Date the event occurred
- Cost of the event

Financial Statement Presentation

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

## (2018 and Prior)

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS**

For the Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cash and Investments 01-01-17</th>
<th>Receipts 12-31-17</th>
<th>Disbursements 12-31-17</th>
<th>Cash and Investments 12-31-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$5,104,576</td>
<td>$9,873,481</td>
<td>$9,061,122</td>
<td>$5,916,935</td>
</tr>
<tr>
<td>Motor Vehicle Highway Fund</td>
<td>2,532,541</td>
<td>1,014,389</td>
<td>1,541,218</td>
<td>2,905,712</td>
</tr>
<tr>
<td>Local Road And Street</td>
<td>38,188</td>
<td>309,697</td>
<td>246,966</td>
<td>101,789</td>
</tr>
<tr>
<td>Park Nonreverting Operating</td>
<td>516,553</td>
<td>440,449</td>
<td>605,640</td>
<td>353,162</td>
</tr>
<tr>
<td>Total</td>
<td>7,732,206</td>
<td>2,525,693</td>
<td>6,661,607</td>
<td>3,038,132</td>
</tr>
</tbody>
</table>

**2019 Financial Statement Presentation**

<table>
<thead>
<tr>
<th>Fund</th>
<th>General 01-01-17</th>
<th>Motor Vehicle Highway 01-01-17</th>
<th>Local Road And Street 01-01-17</th>
<th>Emergency Medical Services/Ambulance 01-01-17</th>
<th>Sanitation Revenue 01-01-17</th>
<th>Community Development 01-01-17</th>
<th>Law Enforcement Continuing Ed 01-01-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments - beginning</td>
<td>$57,257</td>
<td>$75,632</td>
<td>$93,602</td>
<td>$90,385</td>
<td>$25,676</td>
<td>$77,471</td>
<td>$18,162</td>
</tr>
<tr>
<td>Receipts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>1,576,512</td>
<td>199,959</td>
<td>186,588</td>
<td>1,343</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>249,768</td>
<td>248,343</td>
<td>31,499</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>55,950</td>
<td>730</td>
<td>122,671</td>
<td>268,052</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fringe and benefits</td>
<td>796</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receipts</td>
<td>9,143</td>
<td>49,355</td>
<td>961</td>
<td>179</td>
<td>59</td>
<td>550</td>
<td>3,417</td>
</tr>
<tr>
<td>Total receipts</td>
<td>1,899,904</td>
<td>498,377</td>
<td>32,469</td>
<td>309,429</td>
<td>266,111</td>
<td>550</td>
<td>3,417</td>
</tr>
<tr>
<td>Disbursements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal services</td>
<td>1,779,488</td>
<td>209,809</td>
<td>4,175</td>
<td>4,175</td>
<td>18,021</td>
<td>18,021</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>75,988</td>
<td>50,020</td>
<td>8,856</td>
<td></td>
<td></td>
<td></td>
<td>5,296</td>
</tr>
<tr>
<td>Other services and charges</td>
<td>463,030</td>
<td>202,710</td>
<td>297,110</td>
<td>280,229</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td>16,129</td>
<td>32,171</td>
<td></td>
<td></td>
<td></td>
<td>94,565</td>
<td></td>
</tr>
<tr>
<td>Utility operating expenses</td>
<td>36,231</td>
<td>414</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total disbursements</td>
<td>1,869,906</td>
<td>494,120</td>
<td>310,182</td>
<td>298,250</td>
<td>94,565</td>
<td>5,296</td>
<td></td>
</tr>
<tr>
<td>Excess (deficiency) of receipts over disbursements</td>
<td>28,498</td>
<td>4,257</td>
<td>32,440</td>
<td>(753)</td>
<td>(32,135)</td>
<td>(94,015)</td>
<td>(1,873)</td>
</tr>
<tr>
<td>Cash and investments - ending</td>
<td>$85,306</td>
<td>$79,889</td>
<td>$126,062</td>
<td>$89,643</td>
<td>(6,463)</td>
<td>$16,544</td>
<td>$16,283</td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
Recap
2019 Updates to the Regulatory Format

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

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

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)

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

Todd Caldwell
Susan Gordon

- Cities and Towns: cities.towns@sboa.in.gov
- Special Districts: Specialdistricts@sboa.in.gov
- Libraries: Libraries@sboa.in.gov
- 317-232-2513