Enhanced Regulatory Reporting

Jonathan Wineinger
Government Technical Assistance and Compliance (GTAC) Director
Contact Information

• Website – https://www.in.gov/sboa/4445.htm

• Phone – (317) 232-2512

• Email – Schools.Townships@sboa.in.gov
Basis of Accounting

- **GAAP Basis of Accounting and Reporting**
  - Generally Accepted Accounting Principles

- **Regulatory Basis of Accounting and Reporting**
  - Prescribed by State Examiner
Enhanced Regulatory Reporting

• Purpose

• Be proactive

• To report similar to certain GAAP requirements

• Satisfy legislators and bond rating companies

• Legislation already passed requiring certain units to report financial statements in accordance with GAAP
On March 28th, 2022 the decision to delay enhanced regulatory was made by the SBOA Board.

There is not currently an implementation date set.

We will re-evaluate once we start school audits in the fall to assess our staffing levels.
Fund Types:
Governmental Accounting Standards Board (GASB) codification 1330.

• Governmental Funds
  • General
  • Special Revenue
  • Debt Service
  • Capital Projects
  • Permanent

• Proprietary Funds
  • Enterprise
  • Internal Service

• Fiduciary Funds
  • Pension (and other employee benefit) Trust
  • Investment Trust
  • Private Purpose
  • Custodial
Fund Types

General Fund - *Defined as:*

- Accounts for and reports tax & other receipts not allocated to another fund.
- The Township Fund
- There should only be **ONE** General Fund.
Special Revenue - *Defined as*:

- Accounts for and reports sources restricted or committed to expenditures for specific purposes.

- Examples:
  - Township Assistance
  - Firefighting
  - Parks and Recreation
  - Cemetery
**Debt Service** - *Defined as:*

- Accounts for and reports sources restricted, committed, or assigned for principal & interest.

- Should be used to report resources *if legally mandated.*

- Includes resources accumulated for both current & long-term principal and interest payments.

- Examples:
  - Debt Service Fund
  - Bond Debt Service
Capital Projects - Defined as:

- Accounts for and reports resources restricted, committed, or assigned for capital outlay.

- Includes acquisition & construction of capital facilities and capital assets.

- Excludes capital-related activities financed by proprietary funds.

- Examples:
  - Construction
Fund Types

Permanent Fund - Defined as:

- Accounts for and reports resources restricted to only earnings (not principal) used to support the township’s programs.

- “...benefit of the government or its’ citizenry.”

- Examples:
  - Local donation w/ Unspendable principal balance.
Fund Types

**Enterprise Fund** - *Defined as:*

- Accounts for and reports on **activities financed primarily by revenues generated by the activities themselves.**

- Community center or community swimming pool.
  - Others if operated mostly by user fees.

- Examples:
  - Townships may not have many Enterprise Funds.
Fund Types

**Internal Service Fund** - *Defined as:*

- Accounts for and reports for the financing of goods or services provided by one fund, department, or agency to the other funds, departments, or agencies.

- **Cost-reimbursement basis**

- **Examples:**
  - IT services
  - Self-Insurance
Fiduciary Fund - Defined as:

• Types of Fiduciary Funds:
  • 1. Trusts – Reports all assets held in a trustee or agency capacity for others and therefore can’t be used to support the trustee.
  • 2. Custodial – Reports fiduciary activities held by a township not required to be reported in trusts.

• Examples:
  • Pension, Investment, or Private Purpose Trusts
  • Judgements
Other Fund - *Defined as:*

- Account for and report financial activity of **funds that don’t meet the criteria of the other fund types.**

- **Examples:**
  - Payroll
  - Payroll Clearing
## Current Regulatory Basis - Financial Statements

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

For the Years Ended December 31, 2017 and 2018

<table>
<thead>
<tr>
<th>Fund</th>
<th>Cash and Investments 01-01-17</th>
<th>Receipts</th>
<th>Disbursements</th>
<th>Cash and Investments 12-31-17</th>
<th>Receipts</th>
<th>Disbursements</th>
<th>Cash and Investments 12-31-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Township Fund</td>
<td>$315,344</td>
<td>$1,312,896</td>
<td>$1,256,105</td>
<td>$372,135</td>
<td>$1,192,750</td>
<td>$1,117,768</td>
<td>$447,117</td>
</tr>
<tr>
<td>Township Assistance Fund</td>
<td>339,947</td>
<td>578,537</td>
<td>610,006</td>
<td>308,478</td>
<td>583,577</td>
<td>526,832</td>
<td>365,223</td>
</tr>
<tr>
<td>Rainy Day Fund</td>
<td>564,188</td>
<td></td>
<td></td>
<td>564,188</td>
<td></td>
<td></td>
<td>564,188</td>
</tr>
<tr>
<td>Levy Excess Fund</td>
<td>26,727</td>
<td>11,717</td>
<td>11,717</td>
<td>26,727</td>
<td></td>
<td></td>
<td>26,727</td>
</tr>
<tr>
<td>Debt Service (Series A Bond)</td>
<td>11,197</td>
<td>24,200</td>
<td>16,181</td>
<td>19,216</td>
<td>16,482</td>
<td>18,538</td>
<td>17,160</td>
</tr>
<tr>
<td>Bond #2 (Series B Bond)</td>
<td>71,958</td>
<td>125,414</td>
<td>93,286</td>
<td>104,086</td>
<td>99,561</td>
<td>96,970</td>
<td>106,677</td>
</tr>
<tr>
<td>Small Claims Court Fees</td>
<td>52,421</td>
<td>962,966</td>
<td>1,001,551</td>
<td>13,836</td>
<td>868,063</td>
<td>862,375</td>
<td>19,524</td>
</tr>
<tr>
<td>Small Claims Court Trust</td>
<td>(21,122)</td>
<td>2,036,424</td>
<td>2,015,684</td>
<td>(382)</td>
<td>1,654,217</td>
<td>1,575,139</td>
<td>78,696</td>
</tr>
<tr>
<td>Payroll Deduction Fund</td>
<td>430</td>
<td>263,950</td>
<td>267,317</td>
<td>(2,937)</td>
<td>242,904</td>
<td>241,850</td>
<td>(1,883)</td>
</tr>
<tr>
<td>Bond Anticipation Note</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$1,361,091</strong></td>
<td><strong>$5,316,104</strong></td>
<td><strong>$5,271,847</strong></td>
<td><strong>$1,405,348</strong></td>
<td><strong>$4,657,554</strong></td>
<td><strong>$4,439,472</strong></td>
<td><strong>$1,623,430</strong></td>
</tr>
</tbody>
</table>

The notes to the financial statement are an integral part of this statement.
## STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS

For the Year Ended December 31, 20XX

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Special Revenue Funds</th>
<th>Debt Service Funds</th>
<th>Capital Projects Funds</th>
<th>Permanent Funds</th>
<th>Enterprise Funds</th>
<th>Internal Service Funds</th>
<th>Fiduciary Funds</th>
<th>Other</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and investments - beginning</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses and permits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fines and forfeits</td>
<td></td>
<td></td>
<td></td>
<td></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>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Penalties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total receipts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Disbursements</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other services and charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt service - principal and interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital outlay</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other disbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total disbursements</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess (deficiency) of receipts over disbursements</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash and investments - ending</strong></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
Enhanced Regulatory Reporting Changes

- Combining Schedule removed from: “Other Information – Unaudited”

- Debt: Long-Term and Leases
  - Beginning balance, additions, and reductions added
  - Debt Service Requirements to Maturity

- Transfers and Interfund Activity (Temporary Transfers IC 36-1-8-4)

- Deficit Fund Balances

- Pensions and OPEB
Enhanced Regulatory Reporting Changes

- Capital Assets
  - Added: Beginning balance, additions, and reductions
  - Depreciation

- Short Term Debt

- Joint Ventures

- Related Party Transactions

- Tax Abatements
### General Governmental Assets:

#### Capital assets not being depreciated:
- **Land**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

#### Capital assets being depreciated:
- **Infrastructure**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

- **Buildings**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

- **Improvements other than Buildings**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

- **Machinery, Equipment, and Vehicles**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

#### Less: Accumulated depreciation
- **Infrastructure**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

- **Buildings**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

- **Improvements other than Buildings**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

- **Machinery, Equipment, and Vehicles**
  - $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
  - $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
  - **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

#### Total accumulated depreciation
- $\text{Beginning Balance 01-01-21}$: $\_\_\_,\_\_\_\_\_\_\_\_\_
- $\text{Additions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
- $\text{Reductions}$: $\_\_\_,\_\_\_\_\_\_\_\_\_$
- **Ending Balance 12-31-21**: $\_\_\_,\_\_\_\_\_\_\_\_\_

#### Total General Governmental Assets, net
- $\_\_\_,\_\_\_\_\_\_\_\_\_$
### Governmental Activities - Non-Depreciable Assets

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Beginning Balance as of January 1, 2021</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance as of December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other Non-Depreciable Assets</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

### Governmental Activities - Depreciable Assets

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Beginning Balance as of January 1, 2021</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance as of December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Buildings</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Improvements Other Than Buildings</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Machinery, Equipment, and Vehicles</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Books and Other</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Depreciation

• An accounting method of allocating the cost of a tangible or physical asset (Buildings, Equipment, Infrastructure, other) over the life of the asset

• Represents how much of an asset’s value has been used up
Depreciation

• Asset Value (Historical Cost) – amount paid at the time asset was purchased

• Estimated Useful Life – Number of years asset is expected to be in service

• Yearly Amount of Depreciation - Calculated dollar amount the asset decreases in value per year

• Accumulated Depreciation – Total amount of decrease in value of the asset
Depreciation Calculation

Asset value (Historical Cost)  =  Yearly Amount of Depreciation

Estimated Useful Life

***Accumulated Depreciation is the total depreciation to date***
Example

- Fire truck purchased in 2016 for $200,000
- Estimated Useful Life - 20 years
- Unit’s policy is to take full year of depreciation in year of purchase
Example - Depreciation Calculation

$200,000 = $10,000
20 years

Yearly Amount of Depreciation

***Accumulated Depreciation is the total depreciation to date
## Governmental Activities - Accumulated Depreciation

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Beginning Balance as of January 1, 2021</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance as of December 31, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Buildings</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Improvements Other Than Buildings</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Machinery, Equipment, and Vehicles</td>
<td>$50,000.00</td>
<td>$10,000.00</td>
<td>$0.00</td>
<td>$60,000.00</td>
</tr>
<tr>
<td>Books and Other</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Maintain Documentation

- Must maintain a documented basis for:
  - Asset Valuation
  - Estimated Useful Lives
Note 7.  Long-term Debt

A. Changes in Long-term Debt

Changes in long-term obligations for the year ended December 31, 2021, are as follows:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Beginning Balance 01-01-21</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Principal Balance 12-31-21</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Memorial Coliseum:</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Notes and Loans Payable</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

B. Debt Service Requirements to Maturity

Debt service requirements on long-term debt at December 31, 2021, as are follows:

<table>
<thead>
<tr>
<th>Governmental Activities:</th>
<th>Year Ended December 31</th>
<th>Principal</th>
<th>Interest</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2025</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2026</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2027-2031</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
### Note 8. Leases

The City has entered into the following leases. The purpose, lease terms, and amounts due within one year as of December 31, 2021, are as follows:

<table>
<thead>
<tr>
<th>Lessor</th>
<th>Description or Purpose</th>
<th>Annual Lease Payment in Fiscal Year 2021</th>
<th>Lease Beginning Date MM/DD/YYYY</th>
<th>Lease End Date MM/DD/YYYY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Example Lessor 1</td>
<td>Example Description</td>
<td>$</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Enterprises:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Example Lessor 2</td>
<td>Example Description</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Enterprises</strong></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>
</tbody>
</table>

Lease requirements as of December 31, 2021, are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>Principal</th>
<th>Interest</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>2023</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2024</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2025</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2026</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2027-2031</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>-</td>
<td>$</td>
</tr>
</tbody>
</table>
Note 11. Deficit Fund Balances

The following funds have deficit fund balances at December 31, 2021:

- Fund Name
- Fund Name
- Fund Name

Total deficit fund balances

The reason for the deficit fund balances include ___.
Tax Abatements

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

• 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.
Tax Abatements

• **Direct** – The governmental unit provides the tax abatement (Not applicable to Townships)

• **Indirect** – governmental unit is affected by the tax abatement given by another governmental unit
Example

• City A provided Business B with a tax abatement of $35,000 for the year 2021.

• Certified Tax Rate is as follows:
  Township .0970
  Township Assistance .0200

  Total .1170

Note: These amounts are a percentage.

To calculate Amount of tax revenue reduced as a result of Tax Abatement:

35,000 X .001170 or .1170% = $40.95
### Indirect Agreements

Agreements entered into by other governments and reduce the reporting government’s tax revenues.

<table>
<thead>
<tr>
<th>Delete</th>
<th>Government Name</th>
<th>Name of Abatement</th>
<th>The specific tax being abated</th>
<th>Amount of tax revenues reduced as a result of Tax Abatements</th>
<th>Amount receivable, if any, as a result of the Tax Abatements</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗</td>
<td>City A</td>
<td>Business B</td>
<td>Personal Property Tax</td>
<td>$40.95</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Related Parties

• Question 16. “Are there related party transactions?”

• GASB Statement 62 para. 57:
  • A related party is one that either:
    • Can significantly influence the management or operating policies of the transacting parties (for example, through imposition of will)
    • Has an ownership interest in one of the transacting parties and can significantly influence the other to the extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests
Related Parties - Examples

• **A related party** can be:
  • A related organizations, joint venture or jointly governed organizations, (GASB 14)
  • Elected and appointed officials of the unit.
  • The government’s management.
  • Members of the immediate families of elected or appointed officials.
  • Other parties if one party can significantly influence the management or operating policies of the other to the extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

• **Examples of related party transactions include:**
  • Transactions between a related party with a conflict of Interest.
  • Selling property at a price that differs significantly from its appraised value.
  • Exchanging property for similar property in a nonmonetary transaction.
Note 14. Related Party Transactions

The (name of related party) is considered a related party. (description of the nature of related party transactions.)
Additional AFR Questions – Joint Ventures

• Question 15. “Do you participate in any joint ventures?

• GASB Statement 14 para. 69:
  • A joint venture is 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 control, in which the participants retain (a) an 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 venture participants directly, or for the benefit of the general public or specific service recipients. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. If the organization is jointly controlled but the participants do not have an ongoing financial interest or ongoing financial responsibility, as defined in paragraphs 70 and 71, it is a jointly governed organization, rather than a joint venture.
Joint Venture Note

Note 15. Joint Venture

The City entered into a joint venture with (Joint venture member(s) to (description of the nature of the joint venture). The approximate cost of (description of the joint venture) is ($ ). The City and (Joint venture member)'s audited financial statements can be accessed on the State Board of Accounts website at www.in.gov/sboa.
Note 16. **Interfund Activity**

Interfund transfer activity for the year ended December 31, 2021, is as follows:

<table>
<thead>
<tr>
<th>Transfer From</th>
<th>Fund Name</th>
<th>Fund Name</th>
<th>Fund Name</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Name</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Fund Name</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund Name</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
</tr>
</tbody>
</table>

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.

For transfers that did not occur on a routine basis or were inconsistent with the activities of the fund, (general description of the principal purpose of the interfund transfer.)

The composition of due to/from funds as of December 31, 2021, is as follows:

<table>
<thead>
<tr>
<th>Due From</th>
<th>Fund Name</th>
<th>Fund Name</th>
<th>Fund Name</th>
<th>Fund Name</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Name</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund Name</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund Name</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund Name</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Totals</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
THANK YOU!

• For filing the Annual Financial Report!

• If you still need assistance on any new sections, please let us know.
Future AFR Change - GASB 87 Leases

• With GASB 87 there is no longer a distinction between capital and operating leases.
  • Previously:
    • If a unit were going to own the asset at the end of the lease (capital lease), they should capitalize the asset.
    • If they would not own the asset at the end of the lease (operating lease), they would not capitalize the asset

• GASB 87 requires all leases over one year to be shown as an asset (right to use) and a liability (lease payments).

• Receiving from DLGF’s Gateway submissions.
  • When reviewing financials before the audit you will be given a ‘form 13’ to sign. Please review these notes carefully for accuracy.
Questions?