ANNUAL FINANCIAL REPORT
ENHANCED REGULATORY UPDATES

INDIANA STATE LIBRARY FALL WORKSHOP
NOVEMBER 2021

UNIT QUESTIONS
AFR UNIT QUESTIONS - NEW

7a. What is your capital asset threshold?

Cost at which an asset must be included on the capital asset ledger and financial statements
Determined by the library board in a policy or resolution

AFR UNIT QUESTIONS - NEW

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.

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.
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.

   | Yes | No |
---|-----|----|
   |     |    |

16. Are there 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.

   | Yes | No |
---|-----|----|
   |     |    |

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.

   | Yes | No |
---|-----|----|
   |     |    |
AFR UNIT QUESTIONS - NEW

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. [Yes □ No □]

AFR UNIT QUESTIONS - NEW

19. Do you have conduit debt?
A debt instrument issued in the name of a state or local government that is for the benefit of a third party that is primarily liable for the repayment of the debt instrument. [Yes □ No □]

19a. Describe your conduit debt.
Revenue bonds to provide financial assistance to private-sector entities for the acquisition of facilities deemed to be in the public interest. The city is not obligated for repayment.

Review debt issuances involving capital financing for a third party. You will need a description of conduit debt transactions and the aggregate amount of all conduit debt outstanding.
AFR UNIT QUESTIONS - NEW

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

Grant Schedule

• For the 2021 Annual Financial Report an optional upload is now available for Grant reporting.

• Specifications will be available in the user guide and on our website on the libraries page under Gateway
FUND TYPES

- Previous training sessions on fund type classification
  - Spring 2021 Workshop
- Slides are available on our website for libraries under Presentations and Training Materials
  - www.in.gov/sboa

DRAFT FINANCIAL STATEMENT EXAMPLE
FUND TYPE CLASSIFICATION – NEW SCHEDULE

Annual Financial Report Main Menu

Unit Information
- **Unit Questions**: The answers to those questions determine what forms are available in the system. Status: Complete
- **Identify Enterprises**: Identify your utilities and other enterprises that operate like a business. Examples include Public Transportation, Convention Centers, Parking Garages, Airports, Internet Services, etc. Status: 3 Enterprise(s)
- **Departments**: Select departments that are in use and provide local names for some departments. Status: Not Entered
- **Schedule of Officials**: Enter information regarding officials and contact information. Status: Complete

Core Reporting
- **Financial Data by Fund**: Enter or change basic financial information for the year. This includes adding or deleting funds, entering beginning cash and investment balances, receipts and disbursements for each fund. Status: 50 Fund(s)
- **Fund Type**: Select the fund type for funds entered in financial data by fund. Status: 23 Fund Types Not Selected
- **Capital Assets**: Using your Capital Asset records, complete the Schedule of Capital Assets (land, building, machinery, etc.) as of the end of the year. Show the total purchases of capital assets during the year (if any) in the Additions column. Show sales or other dispositions of capital assets during the year (if any) in the Reductions column. Status: $5,006,022 in Assets

[Diagram showing Fund Type Classification with examples of local fund names and fund types]

- **Local Fund Name**: 0800000000 - GRANTS, 562938 GRANT S, 0800000005 - POLICE PENSION, 0800000006 - LEVY EXCESS FUND, 102091 Levy Excess, 0800000007 - POLICE BUILDING & EQUIPMENT, 926300 POLICE BUILDING & EQUIPMENT, 0800000009 - CUM CAPITAL IMPROVEMENTS
- **Fund Type**: Special Revenue, Pension Trust, Special Revenue, Special Revenue, Special Revenue

- **Local Fund Name**: elec - general, 100000 Enterprise Operating
- **Fund Type**: Special Revenue, Capital Projects, Permanent, Enterprise, Internal Service, Pension Trust, Private Purpose Trust, Investment Trust, Capital, Other
# DEBT SCHEDULE – 2020 VERSION

<table>
<thead>
<tr>
<th>Delete</th>
<th>Debt Class</th>
<th>Description or Purpose</th>
<th>Beginning Principal Balance as of Jan. 1, 2020</th>
<th>Additions</th>
</tr>
</thead>
<tbody>
<tr>
<td>✗</td>
<td>General Obligation Bonds</td>
<td>Bond</td>
<td>$8,000.00</td>
<td>$19,000.00</td>
</tr>
<tr>
<td>✗</td>
<td>Notes and Loans Payable</td>
<td>Loan</td>
<td>$8.00</td>
<td>$5.00</td>
</tr>
</tbody>
</table>
### AFR DEBT SCHEDULE

#### UPDATES FOR 2021

**Governmental Activities - Long Term Debt**

<table>
<thead>
<tr>
<th>Debt Class</th>
<th>Description or Purpose</th>
<th>Beginning Principal Balance as of Jan. 1, 2021</th>
<th>Additions</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>Bond</td>
<td>$12,000.00</td>
<td>Required</td>
</tr>
<tr>
<td>General Obligation Bonds</td>
<td>Revenue Bonds</td>
<td></td>
<td>Required</td>
</tr>
<tr>
<td></td>
<td>Notes and Loans Payable - Long Term</td>
<td></td>
<td>Required</td>
</tr>
<tr>
<td></td>
<td>Tax Anticipation Warrant - Long Term</td>
<td></td>
<td>Required</td>
</tr>
</tbody>
</table>

**Governmental Activities - Short Term Debt**

<table>
<thead>
<tr>
<th>Debt Class</th>
<th>Description or Purpose</th>
<th>Beginning Principal Balance as of Jan. 1, 2021</th>
<th>Additions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lines of Credit</td>
<td>Revenue Bonds</td>
<td></td>
<td>Required</td>
</tr>
<tr>
<td></td>
<td>Notes and Loans Payable - Short Term</td>
<td></td>
<td>Required</td>
</tr>
<tr>
<td></td>
<td>Tax Anticipation Warrant - Short Term</td>
<td></td>
<td>Required</td>
</tr>
<tr>
<td></td>
<td>Other - Short Term</td>
<td></td>
<td>Required</td>
</tr>
</tbody>
</table>
CHECKLIST OF SHORT-TERM DEBT

- Identify short-term debt issuances
- Identify the purpose of the debt issuances and provide a description
- Determine the beginning balance of each debt issuance
- Determine additions and reductions in short-term debt balances
- Determine the ending balance of each debt issuance

TAX ABATEMENTS
“A reduction in tax revenues that results from 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.”

GASB 77 requires the disclosure of

(1) your own unit’s tax abatement agreements (called direct agreements) and

(2) tax abatement agreements entered into by other governments that reduce the reporting government’s tax revenue (called indirect agreements.)
NEW SCHEDULE IN 2021

AFR TAX ABATEMENTS SCHEDULE – NEW
INDIRECT AGREEMENTS
CHECKLIST
INDIRECT TAX ABATEMENTS

☐ Gather information needed for AFR from County Auditor:
  ☐ Government Name
  ☐ Name of Abatement
  ☐ Specific tax being withheld
  ☐ Amount abated in reporting year (2021)
  ☐ Amount receivable as a result of the tax abatement, if any
  ☐ Calculate amount of tax revenue forgone (“deduction” x local tax rate)

INTERFUND ACTIVITY
INTERFUND ACTIVITY

• Indiana Cod 36-1-8-4

• The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision if all these conditions are met…

• Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs…

INTERFUND LOAN ACTIVITY SCHEDULE - NEW

Interfund Loan Activity (Due to/Due from) ▼

Complete the Interfund Loan Activity Schedule with all loan activity between funds during the year. Before entering loans in this section make sure that the file of fund numbers and fund names uploaded within the Financial Data by Fund Section is accurate and complete. If a new file of fund names and numbers needs to be uploaded, ALL previously entered loans will be automatically WIPED OUT and will need to be re-entered. If it becomes necessary to upload a revised file of fund numbers and names, consider taking screenshots of this section’s data first, to allow for more efficient re-entry of data.

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

<table>
<thead>
<tr>
<th>Delete</th>
<th>Due From</th>
<th>Due To</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>0000000023</td>
<td>0000000110</td>
<td>$10,000.00</td>
</tr>
</tbody>
</table>

Total: $10,000.00
### CAPITAL ASSETS SCHEDULE – 2020 VERSION

<table>
<thead>
<tr>
<th>Government or Enterprise</th>
<th>Beginning Balance as of January 1, 2020</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance as of December 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$6,000,500.00</td>
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<td>$6,000,500.00</td>
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<tr>
<td>Infrastructure</td>
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<td>$0.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Building</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Improvement</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Machinery</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Construction</td>
<td>$0.00</td>
<td>$400.00</td>
<td>$0.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>Books</td>
<td>$0.00</td>
<td>$1,000.00</td>
<td>$500.00</td>
<td>$500.00</td>
</tr>
</tbody>
</table>

**Governmental Activities Totals:**

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,004,500.00</td>
<td>$1,400.00</td>
<td>$500.00</td>
<td>$5,005,400.00</td>
</tr>
</tbody>
</table>
### Checklist for Capital Assets

- Maintain Capital Asset Threshold Policy for Audit
- Establish a Depreciation Method
- Document estimated useful lives of the capital assets
- Update Capital Asset Ledger
- Confirm AFR beginning balance agrees to Capital Asset Ledger
- Post additions and reductions from Capital Asset Ledger for 2021
- Confirm AFR ending balance agrees to Capital Asset ledger
- Calculate Accumulated Depreciation as of January 1, 2020
- Calculate annual depreciation for 2021
- Confirm AFR balances for accumulated depreciation agree with records
CONTACT INFORMATION

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- Libraries@sboa.in.gov
- 317-232-2513