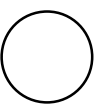

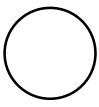



**ENHANCED
REGULATORY**

AUDITOR SPRING CONFERENCE
APRIL 2022



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 **ABATEMENTS**



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REPORTING REQUIREMENTS

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- Note disclosure to financial statements
- Amount of tax forgone
- Type of tax (real or personal)
- Purpose of abatement
- Direct or Indirect
- Receivable

DLGF and Newspaper

- List of real and personal property abatement applications that resulted in abatements granted
- Amount of each deduction
- Years approved for abatement



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ABATEMENT SCHEDULE IN AFR

- DIRECT AGREEMENTS
 - Abatement Name: Who applied for the abatement or how is the abatement identified in your county.
 - Purpose of Abatement: Economic Development
 - Specific tax being abated: Real Property or Personal Property
- INDIRECT AGREEMENTS
 - Name of Government that approved the abatement. (City or Town)



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ABATEMENT SCHEDULE IN AFR (CONT.)

- Amount of Tax revenues reduced as a result of the tax abatements; This is the amount of tax revenues forgone based on the agreement itself
 - Deduction/100 multiply by the tax rate = taxes forgone
 - $100,000/100 \times .3236 = 323.60$
- Receivable discloses any amount the entity has to pay to the county based on the abatement agreement. If there is an abatement fee, that would be disclosed here as a receivable. This amount can be zero if there is no abatement fee.



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OTHER POLITICAL SUBDIVISIONS

- Cities and Towns will only have direct abatements- should have all the information they need to complete the schedule
- Other units could have indirect abatements. They do not have the information to complete the schedule and will look to the Auditors for that information.
 - Which abatements affect their taxing district
 - Amount of the deduction
 - Receivable – only if the abatement fee is paid/shared with them.



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CAPITAL ASSETS AND ACCUMULATED DEPRECIATION



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STEP 1 CAPITALIZATION POLICY

- Threshold
- Estimated Useful Lives
- Depreciation Method



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STEP 2 CAPITAL ASSET VALUATION

- Historical Cost
- Replacement Cost x Cost Index Factor

Table of Cost Indexes are in the December Bulletin every year



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STEP 3 DEPRECIATION CALCULATION

- Depreciation Calculation

$$\frac{\text{Asset Value}}{\text{Useful Life}} = \text{Yearly Amount of Depreciation}$$

Accumulated Depreciation is the total depreciation to date.



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STEP 4 AFR REPORTING

- Capital Assets Beginning Balance, (+)Additions, (-)Deletions, (=)Ending Balance by category
- Accumulated Depreciation Beginning Balance, (+)current year depreciation, (-)removed from service, (=) Ending Accumulated Depreciation Balance



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YouTube Videos:

Reporting Capital Assets and Accumulated Depreciation
- <https://www.youtube.com/watch?v=PPXQpoL78>

Capital Asset Training -
<https://www.youtube.com/watch?v=oPIbqV1J9jo>

Capitalization Policies -
<https://www.youtube.com/watch?v=hvay7vxal4>



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○ FUND TYPES



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Resources:

- Chart of Accounts Instructions
- Fund and Account Tables
- Fund and Account Descriptions

****Available on the Auditors page of the SBOA website, scroll down to “Overview and Chart of Accounts” click the arrow to expand****



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Gateway User Guide:

https://gateway.ifionline.org/userguides/AFRguide#nav_FundType

- How to enter the information
- Fund Types and what they are used for



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GRANTS



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Template:

Agency	Assistance Award	Fund	Receipts	Disbursements	Loans	Noncash	Insurance
Adams Bri Highway F.U.S. Depai Indiana Di	20.205 Highway F DES 54321	1 8222 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	21.205 Highway F DES 54322	2 8223 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	22.205 Highway F DES 54323	3 8224 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	23.205 Highway F DES 54324	4 8225 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	24.205 Highway F DES 54325	5 8226 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	25.205 Highway F DES 54326	6 8227 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	26.205 Highway F DES 54327	7 8228 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	27.205 Highway F DES 54328	8 8229 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	28.205 Highway F DES 54329	9 8230 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	29.205 Highway F DES 54330	10 8231 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	30.205 Highway F DES 54331	11 8232 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	31.205 Highway F DES 54332	12 8233 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	32.205 Highway F DES 54333	13 8234 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	33.205 Highway F DES 54334	14 8235 #20.2	234000.00	137000.00	0.00	0.00	0.00
Adams Bri Highway F.U.S. Depai Indiana Di	34.205 Highway F DES 54335	15 8236 #20.2	234000.00	137000.00	0.00	0.00	0.00



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Government Technical Assistance & Compliance Directors

Lori Rogers & Ricci Hofherr

Email: Counties@sboa.in.gov

Phone: (317)232-2512

LET'S DISCUSS...



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