Financial Statements
Changes for 2021
Financial Statements

- Financial Statements will show fund type classifications. The information submitted in Gateway will be aggregated and presented in the appropriate fund type classification.
  - General
  - Special Revenue
  - Capital Projects
  - Debt Service
  - Permanent Fund
  - Enterprise Fund
  - Fiduciary Fund

Indiana State Board of Accounts

![Image](image.png)
Receipt and Disbursement Classifications

- Fiduciary and Other Fund types – Settlement, Remittance, Payroll withholding
  - Receipts should be shown as "Other Receipts"
  - Disbursements should be shown as "Other Disbursements"

Notes to Financial Statements

Changes for 2021
Long Term Debt

• This is no longer shown in the supplementary schedules but is presented as a note disclosure.
• Beginning and ending balances are included
• Additions and reductions during the audit period
• Schedule of principal and interest payments until maturity
  • Five years are shown and then the remaining period in five-year aggregates
    This schedule was to be based on the debt information already provided on Gateway to DLGF debt management

Leases

• GASB 87 is on leases and eliminates the distinction between capital and operating leases.
• Report all leases that are longer than a year
• If you will own the asset as a result of the lease, the asset should be capitalized. If the lease allows you to operate asset but doesn’t transfer ownership, do not capitalize
• In both cases, the note will disclose the purpose of the lease, lease term and amounts due within one year.
• This will also have a debt to maturity schedule
Interfund Activities – Interfund Loans

• This is a schedule under the transfer schedule that presents any interfund loans that were not repaid by year end. It will show what one funds owes to the other fund.
• Disclosure requires the schedule and the reason the loan was not repaid by year end.

<table>
<thead>
<tr>
<th>Due From</th>
<th>General</th>
<th>Motor Vehicle</th>
<th>Parks</th>
<th>Supplemental Beverage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$ -</td>
<td>$ 6,000</td>
<td>$ 2,000</td>
<td>$ 3,824</td>
<td>$ 11,824</td>
</tr>
<tr>
<td>Motor Vehicle Highway</td>
<td>7,181</td>
<td>-</td>
<td>$ 2,867</td>
<td>-</td>
<td>$ 10,048</td>
</tr>
<tr>
<td>Parks</td>
<td>6,145</td>
<td>415</td>
<td>834</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Museum Coliseum - Operating</td>
<td>-</td>
<td>3,800</td>
<td>500</td>
<td>-</td>
<td>4,300</td>
</tr>
<tr>
<td>Total</td>
<td>$ 13,326</td>
<td>$ 10,215</td>
<td>$ 6,201</td>
<td>$ 3,824</td>
<td>$ 26,172</td>
</tr>
</tbody>
</table>

Indiana State Board of Accounts
Significant Contingent Liabilities

• Any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred. If it is probable that an asset has been impaired or a liability incurred, but the effect of the impairment or liability has not been reflected in the financial statements because it can’t be estimated.

• Disclose a description of the contingent liability and the dollar amount.

Significant Commitments

• An existing arrangement to enter into future transactions or events, such as long-term contractual obligations with suppliers for future purchases at specified prices and sometimes at specified quantities

• Disclose description and dollar amount
Subsequent Events

• An event or transactions that occurs after the end of the reporting period but prior to the issuance of the financial statements. The most common one is the issuance of debt.

• Disclose description of the event and dollar amount

Capital Assets and Depreciation

• The Capital Asset Schedule-Moved
  • Removed from supplemental schedules to note disclosure
  • Beginning and ending balances
  • Additions and deletions during the report year

• Accumulated Depreciation Schedule - NEW
  • Added to note disclosure with capital asset schedule
  • Beginning and balances for accumulated depreciation
  • Additions and deletions from accumulated depreciation
Conduit Debt Obligations

- Certain limited obligation revenue bonds or similar debt instruments issued by the county for the express purpose of providing capital financing for a specific third party that is not part of the issuer’s financial reporting entity. The County would have no obligation for the debt beyond the lease or loan with the third party.
- Disclose significant transactions and aggregate all outstanding conduit debt.

Short Term Debt

- Debt arrangements that are paid off within a year. Examples are tax anticipation notes, lines of credits and other similar loans.
- Disclose beginning and ending balances; additions and reductions and a description of the purpose of the debt
Short Term Debt

- Schedule

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax anticipation warrants</td>
<td>$ -</td>
<td>$110,000</td>
<td>$(110,000)</td>
<td>$ -</td>
</tr>
<tr>
<td>Line of Credit</td>
<td>$ -173,704,000</td>
<td>$136,627,000</td>
<td>$35,077,000</td>
<td>$ -35,077,000</td>
</tr>
<tr>
<td>Total</td>
<td>$ -173,704,000</td>
<td>$136,627,000</td>
<td>$35,077,000</td>
<td>$ -35,077,000</td>
</tr>
</tbody>
</table>

Tax Abatements

- 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.

- Disclose a description of tax abatement agreements; dollar amounts by which the tax revenue will be reduced; receivable amounts; and policies pertaining to significant tax abatement agreements.
Tax Abatements

• Direct – abatements authorized by the County
  • More specific information required in note
  • Aggregate by major tax abatement program
  • Starts with year abatement begins and continues until abatement terminates

• Indirect – abatements authorized by a city or town that reduces the County’s tax revenue
  • Less information required in the note
  • Aggregate by city or town that approved the abatement
  • Starts with year abatement begins and continues until abatement terminates

Agreements entered into by the reporting government

<table>
<thead>
<tr>
<th>Name and/or purpose of the tax abatement program</th>
<th>The specific tax being abated</th>
<th>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>Economic Revitalization Area</td>
<td>Real Property Tax</td>
<td>$2,254</td>
<td>$</td>
</tr>
<tr>
<td>Economic Revitalization Area</td>
<td>Personal Property Tax</td>
<td>$553.00</td>
<td>$</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name of government entering into the tax abatement agreement</th>
<th>The specific tax being abated</th>
<th>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>Hamilton County</td>
<td>Real Property Tax</td>
<td>$10,429.00</td>
<td>$</td>
</tr>
<tr>
<td>All Cities and Towns in Hamilton County</td>
<td>Real Property Tax</td>
<td>$1,234.00</td>
<td>$</td>
</tr>
</tbody>
</table>
Note Disclosure – County Approved

- 1. Purpose of Abatement – Economic Development, Housing Construction,
- 2. Specific tax being abated – Real Property taxes, personal property taxes
- 3. Amount tax revenues were reduced in the year due to the tax abatement
- 4. Amount of receivable, if any that entity receiving the abatement is to pay

Note Disclosure – City or Town Approved

- 1. City or Town that approved the Abatement
- 2. Type of tax that is abated – real or personal property
- 3. Tax revenue reduced as a result of the abatements in the report year.
- 4. Any receivables from the entity receiving the abatement
Landfill Closure and Postclosure Care

- Costs incurred to provide the protection of the environment that occur near or after the date that a solid-waste landfill stops accepting waste and during the postclosure period. Costs include the cost of equipment and facilities (leachate collection systems and final cover) as well as cost of services to maintain monitor costs.

Landfill Closure and Postclosure Care

- Note disclosure requires
  - 1. applicable laws and regulations
  - 2. length of time the county is responsible for closure and postclosure care
  - 3. landfill capacity used to date
  - 4. liability for closure and postclosure care
  - 5. financing for the postclosure care.
Related Party Transactions

• Transactions 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 transaction. The term is often used in contrast to arms-length-transactions.

• Disclose nature of the relationship and transaction that occurred; dollar amount of any receivables/payables.

Joint Venture

• 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 controls, in which the participants retains (a) 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 joint venture participants directly or for the benefit of the public or specific service recipients.

• Disclose a description of the joint venture and financial interest of the county in the joint venture.
Supplemental Schedules

Changes for 2021

• Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis

  • Moved from Financial Statements to Supplementary Information
  • Each Fund Type will have a separate combining schedule
  • Each fund shown separately in the combining schedules
### Example Unit

**COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS - SPECIAL REVENUE FUNDS**

For the Year Ended December 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Motor Vehicle Fund</th>
<th>Local Road &amp; Street Fund</th>
<th>Plat Book Fund</th>
<th>Supplemental Food &amp; Beverage Fund</th>
<th>LOT Special Distribution Fund</th>
<th>Public Special Information Fund</th>
<th>Rainy Day Fund</th>
<th>Economic Dev - CEDIT Fund</th>
<th>Total Special Revenue Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and Investments - beginning</strong></td>
<td>$195,680</td>
<td>$9,438</td>
<td>$5,100</td>
<td>$1,313</td>
<td>$3,009</td>
<td>$29,096</td>
<td>$23,589</td>
<td>$263,876</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>
</tr>
<tr>
<td>Taxes</td>
<td>39,555</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>60,362</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>
</tr>
<tr>
<td>Intergovernmental</td>
<td>29,235</td>
<td>2,487</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>44,725</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>
</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>
</tr>
<tr>
<td>Utility fees</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>
</tr>
<tr>
<td>Other receipts</td>
<td>31,841</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31,841</td>
</tr>
<tr>
<td><strong>Total receipts</strong></td>
<td>91,632</td>
<td>2,487</td>
<td></td>
<td></td>
<td>17,766</td>
<td>6,740</td>
<td>3,009</td>
<td>13,324</td>
<td>136,919</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>
</tr>
<tr>
<td>Personal services</td>
<td>23,764</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33,764</td>
</tr>
<tr>
<td>Supplies</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>3,711</td>
<td>14,706</td>
<td>10,246</td>
<td></td>
<td>269</td>
<td></td>
<td></td>
<td></td>
<td>28,932</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>
</tr>
<tr>
<td>Capital outlay</td>
<td>1,988</td>
<td></td>
<td>2,500</td>
<td></td>
<td>13,000</td>
<td></td>
<td></td>
<td></td>
<td>17,488</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>72,509</td>
<td></td>
<td></td>
<td></td>
<td>495</td>
<td>3,773</td>
<td>81,777</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other disbursements</strong></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>164,984</td>
<td>14,706</td>
<td>12,746</td>
<td></td>
<td>23,764</td>
<td>3,773</td>
<td>161,961</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Excess (deficiency) of receipts over disbursements</strong></td>
<td>(13,352)</td>
<td>(499)</td>
<td>(1,746)</td>
<td>(17,746)</td>
<td>(17,766)</td>
<td>(15,024)</td>
<td>3,009</td>
<td>9,551</td>
<td>(24,682)</td>
</tr>
<tr>
<td><strong>Cash and Investments - ending</strong></td>
<td>$182,328</td>
<td>$10,037</td>
<td>$9,666</td>
<td>$11,433</td>
<td>$17,766</td>
<td>$23,999</td>
<td>$33,140</td>
<td>$238,094</td>
<td></td>
</tr>
</tbody>
</table>
## Unit Questions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 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. | Yes No |
| 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. | Yes No |
| 15. Do you participate in any joint ventures?  
Legal entity of other organization that results from a contractual arrangement 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 their 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 |
| 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 |

### Additional Unit Questions

- **Capital Asset Threshold Amount**

- **Has your unit established any of the following entities?**
  - Holding Corporation (Building Corporation)
  - Redevelopment Authority
  - Land Bank
Questions

• Contact

• Ricci Hofherr or Lori Rogers
  • County Directors

• Counties@sboa.in.gov
• (317) 232-2512