

Capital Assets & Depreciation for Cities and Towns

December 2021 Monthly Meeting
with Cities and Towns

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Capital Assets Schedule – 2020 Version

Governmental Activities

Government or Enterprise	Beginning Balance as of January 1, 2020	Additions	Reductions	Ending Balance as of December 31, 2020
Land	\$66,266.00	\$261,300.00	\$55,146.00	\$272,420.00
Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00
Building	\$6,318,390.00	\$9,950,000.00	\$6,236,176.00	\$10,032,214.00
Improvement	\$68,373.00	\$0.00	\$0.00	\$68,373.00
Machinery	\$287,977.00	\$451,382.00	\$63,315.00	\$676,044.00
Construction	\$0.00	\$0.00	\$0.00	\$0.00
Books	\$1,948,225.00	\$34,853.00	\$0.00	\$1,983,078.00

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities Totals:	\$8,689,231.00	\$10,697,535.00	\$6,354,637.00	\$13,032,129.00

	Beginning Balance	Additions	Reductions	Ending Balance
Unit Totals:	\$8,689,231.00	\$10,697,535.00	\$6,354,637.00	\$13,032,129.00

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2021 AFR
Capital
Asset
Schedule

Governmental Activities - Non-Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Land		Required	Required	\$0.00
Construction in Progress	Required	Required	Required	\$0.00
Other Non-Depreciable Assets	Required	Required	Required	\$0.00

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

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What is a
Capital
Asset?

- Owned by the City or Town
- Useful life extending beyond one year
- Meets threshold set by the council in capitalization policy
- Categories:
 - Land
 - Infrastructure
 - Buildings
 - Improvements other than Buildings
 - Machinery, Vehicles, and Equipment
 - Books and Other

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What is Depreciation?

- An allocation of the cost of an asset across the life of the asset for those assets which have a determinable useful life
 - *Useful Life: An estimate of how long an item of property can be expected to be usable. Can be based on experience or table. Should be included in policy.*
- Information needed by financial statement users
 - *Example: bond rating companies*
- Prescribed by the State Examiner per the authority of IC 5-11

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Capital Asset Policies

- Capitalization Threshold
 - *Board policy stating the threshold at which an item is considered a capital asset for financial reporting purposes.*
 - *Only items that exceed the threshold are placed on the capital asset ledger.*
- Estimated Useful Lives of Assets
 - *Board policy establishing the number of years over which the cost of an asset will be allocated.*
- Depreciation Method
 - *The allocation of the cost of an asset over the estimated useful life of the asset.*

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Capital Asset Ledger

- Record of Purchases and Disposals of Capital Assets
- Historical Cost
- Estimating Historical Cost
 - Consumer Price Index Tables
 - December 2021 Bulletin
 - Reasonable Estimate
- Categorized by Type of Asset

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CITIES AND TOWNS BULLETIN
AND UNIFORM COMPLIANCE GUIDELINES ISSUED BY
STATE BOARD OF ACCOUNTS

September 2019

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CAPITAL ASSETS LEDGER

General Form No. 369 (Rev. 2019)

FUND _____

DEPARTMENT OR BUILDING _____

Date of Purchase	Description of Asset	Serial Number	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Capital Asset	Amount Received on Disposal or Trade in	Types of Capital Assets						Total Capital Assets	
								Land	Infrastructure	Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles	Construction in Progress		Books and Other
1															
2															
3															
4															

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Capital Assets - Depreciation

- Straight Line Depreciation (applied to individual assets)
 - Annual Depreciation = Historical Cost / Estimated Useful Life
 - Accumulated Depreciation = Annual Depreciation x Years in Service
- Do not calculate annual depreciation once asset is fully depreciated
- Remove accumulated depreciation upon disposal
- Can adopt policy to recognize a full year of depreciation in the year of acquisition

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Non-Depreciable Assets

Land

Works of Art
 Historical Treasures
 Artifacts, etc.

Construction in Progress

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Land

- Included on the capital asset ledger at historical cost
 - Historical Cost is the same as acquisition cost
- Estimated Historical Cost
 - *Can use FMV multiplied by Consumer Price Index Factor*
 - *County Assessor will have FMV information*
 - *Historical Records may have approximate land values*
- Land is not depreciated
 - Shown in the category of non-depreciable assets on the AFR

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Land – Capital Asset Ledger

Capital Asset Ledger															
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Types of Capital Assets							Total Fixed Assets
								Land	Infra-structure	Buildings	Buildings Other Than	Machinery Equipment & Vehicles	Construction in Progress	Books and Other	
1/1/1964	Land		123 Main Street	100,000			100,000								100,000

To record historical cost of land in the capital asset ledger. Historical cost is the amount for which the property was purchased, or an estimated purchase price based on a calculation using the consumer price index table

Governmental Activities - Non-Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Land	\$100,000.00	Required	Required	\$100,000.00
Construction in Progress		Required	Required	\$0.00
Other Non-Depreciable Assets		Required	Required	\$0.00

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Land – Capital Asset Ledger

Capital Asset Ledger														
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Types of Capital Assets						Total Fixed Assets
								Land	Infra-structure	Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles	Construction in Progress	
1/1/1964	Land		123 Main Street	100,000				100,000						100,000
11/26/2021	Purchase of 1 lot		124 Main Street	50,000				50,000						50,000

To record the purchase of the lot next to town hall in 2021

Governmental Activities - Non-Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Land	\$100,000.00	\$50,000.00	Required	\$150,000.00
Construction in Progress	Required	Required	Required	\$0.00
Other Non-Depreciable Assets	Required	Required	Required	\$0.00

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Works of Art and Historical Treasures

- Included on the capital asset ledger at historical cost under Books & Other
 - Historical Cost is the same as acquisition cost
 - Donated items shown at the FMV on the date of acquisition
 - No audit exception if shown on separate column on Capital Asset ledger as long as included in Books & Other on AFR
- Estimated Historical Cost
 - Possibly estimate based on auction sites or publications related to type of asset
 - Donated items shown at the FMV at time of donation
- Works of Art and Historical Treasures are not depreciated
 - Shown in the category of non-depreciable assets on the AFR
- Examples: Paintings, Sculptures, Artifacts

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Construction in Progress

- Included on the capital asset ledger at historical cost
 - Historical Cost is the same as acquisition cost
- Construction in Progress is not depreciated
 - Shown in the category of non-depreciable assets on the AFR
- Upon Project Completion, costs are moved to the appropriate category when asset is placed into service
- Example: building construction

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Construction in Progress

Capital Asset Ledger															
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Land	Infra-structure	Types of Capital Assets				Books and Other	Total Fixed Assets
										Buildings	Improvements Other Than Buildings	Machinery & Vehicles	Construction in Progress		
started 2020	new town hall annex		124 Main Street	500,000									500,000		500,000

To record construction in progress as of January 1, 2021. Construction costs are shown as construction in progress until the project is completed.

Governmental Activities - Non-Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Land		Required	Required	\$0.00
Construction in Progress		\$500,000.00	Required	\$500,000.00
Other Non-Depreciable Assets		Required	Required	\$0.00

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Construction in Progress

Capital Asset Ledger																
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Types of Capital Assets						Total Assets		
								Land	Infra-structure	Buildings	Improvements Other Than Buildings	Machinery & Vehicles	Construction in Progress		Books and Other	
9/7/2021	New Town Hall Annex CIP		124 Main Street	750,000	75					750,000				(500,000)		(500,000)
9/7/2021	New Town Hall Annex															750,000

To record completion of project in 2021. (Total cost was \$750,000 with \$500,000 of the cost incurred in 2020 and \$250,000 of the cost incurred in 2021.)

Once the project is completed, you will remove those costs accumulated in the Construction in Progress category and show them in Buildings.

In this example, our project was started in 2020 and completed in 2021. In 2021, we removed \$500,000 that was accumulated in Construction in Progress for 2020 and placed it into the Buildings category. In 2021 we also incurred an additional \$250,000 in Construction costs that were also added to buildings for a total of \$750,000.

Construction in Progress

Governmental Activities - Non-Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Land		Required	Required	\$0.00
Construction in Progress		\$500,000.00	Required	\$500,000.00
Other Non-Depreciable Assets		Required	Required	\$0.00

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure		Required	Required	\$0.00
Buildings	\$400,000.00	\$750,000.00	Required	\$1,150,000.00
Improvements Other Than Buildings		Required	Required	\$0.00
Machinery, Equipment, and Vehicles		Required	Required	\$0.00
Books and Other		Required	Required	\$0.00

To record completion of project in 2021 (also includes existing building with cost of \$400,000)

Depreciable Assets

Buildings

Improvements Other than Buildings

Machinery, Equipment & Vehicles

Books and Other



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Buildings

- Included on the capital asset ledger at historical cost
 - Historical Cost is the same as acquisition cost
- Estimated Historical Cost
 - *Can use FMV or Replacement Value multiplied by Consumer Price Index Factor*
 - *County Assessor may have FMV information*
 - *Insurance Company may have Replacement Value information*
- Buildings are included on the AFR under Depreciable Assets
- Best Practice: Straight Line Depreciation

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Buildings

Capital Asset Ledger																
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or				Types of Capital Assets					Total Fixed Assets
							Trade In	Land	Infra-structure	Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles	Construction in Progress	Books and Other		
1/6/1964	Town Hall		123 Main Street	400,000	80 years						400,000					400,000

To record historical cost of building

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	\$400,000.00	Required	Required	\$400,000.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

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Depreciation of Building

Capital Asset Ledger																
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or				Types of Capital Assets					Total Fixed Assets
							Trade In	Land	Infra-structure	Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles	Construction in Progress	Books and Other		
1/6/1964	Town Hall		123 Main Street	400,000	80 years						400,000					400,000

Annual Depreciation = Historical Cost / Estimated Useful Life
 $\$400,000 / 80 \text{ years} = \5000

Accumulated Depreciation = Years in Service x Annual Depreciation
 $\$5000 \times 57 \text{ years} = \$285,000 \text{ as of January 1, 2021}$

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Buildings

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	\$400,000.00	Required	Required	\$400,000.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	\$285,000.00	\$5,000.00		\$290,000.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

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Improvements other than Buildings

- Included on the capital asset ledger at historical cost
 - Historical Cost is the same as acquisition cost
- Estimated Historical Cost
 - *Can use FMV or Replacement Value multiplied by Consumer Price Index Factor*
- Improvements Other than Buildings are included on the AFR under Depreciable Assets
- Examples: Parking lot, drives, walkways, fencing, fountains
- Best Practice: Straight Line Depreciation

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Improvements other than Buildings

Capital Asset Ledger														
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Land	Infra-structure	Types of Capital Assets				Total Fixed Assets
										Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles	Construction in Progress	
7/1/2000	Fence and Landscaping		123 Main Street	5,000	10 years							5,000		5,000

To record existing fence on capital asset ledger

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	\$5,000.00	Required	Required	\$5,000.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

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Improvements Other than Buildings - Depreciation

Capital Asset Ledger														
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Land	Infra-structure	Types of Capital Assets				Total Fixed Assets
										Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles	Construction in Progress	
7/1/2000	Fence and Landscaping		123 Main Street	5,000	10 years							5,000		5,000

Annual Depreciation = Historical Cost / Estimated Useful Life
 $\$5,000 / 10 \text{ years} = \500

Accumulated Depreciation = Years in Service x Annual Depreciation
 $\$500 \times 10 \text{ years} = \$5,000 \text{ as of January 1, 2021}$

Note: This asset was fully depreciated after ten years. You do not continue to depreciate an item after it has reached its useful life. You do keep the asset on the capital asset ledger and in the accumulated depreciation balance until the asset is disposed of.

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Improvements Other than Buildings - Depreciation

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	\$5,000.00	Required	Required	\$5,000.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	\$5,000.00	Required	Required	\$5,000.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

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Improvements other than Buildings

Capital Asset Ledger														
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received or Trade In	Types of Capital Assets					Books and Other	Total Fixed Assets
								Land	Infra-structure	Buildings	Improvements Other Than Buildings	Machinery Equipment & Vehicles		
7/1/2000	Fence and Landscaping		123 Main Street	5,000	10 years	6/18/2021					5,000			5,000
6/18/2021	Removal Fence/Landscaping		123 Main Street								(5,000)			(5,000)

To record the removal of the old fence

To remove the old fence, you will subtract the historical cost from the capital asset ledger. Then you will remove the amount of depreciation associated with the fence (\$5,000) by showing a reduction in accumulated depreciation.

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Improvements other than Buildings

Capital Asset Ledger																
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or		Types of Capital Assets				Machinery Equipment & Vehicles	Construction in Progress	Books and Other	Total Fixed Assets
							Trade In	Land	Infra-structure	Buildings	Improvements Other Than Buildings					
7/1/2000	Fence and Landscaping		123 Main Street	5,000	10 years	6/18/2021						5,000				5,000
6/18/2021	Removal Fence/Landscaping		123 Main Street									(5,000)				(5,000)
7/1/2021	Fence and Landscaping		123 Main Street	20,000	10 Years							20,000				20,000

To record the purchase of new fence in 2021.

To show the purchase of the new fence in the capital asset ledger, you will record the cost in the capital asset ledger.

For depreciation purposes, a Best Practice is to add a full year of depreciation for the new asset in the year of purchase.

Show the annual depreciation for the new fence as an addition to accumulated depreciation in 2022. (Cost of \$20,000 / estimated useful life of 10 years = \$2,000)

Improvements other than Buildings

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	\$5,000.00	\$20,000.00	\$5,000.00	\$20,000.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00

Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	Required	Required	Required	\$0.00
Books and Other	Required	Required	Required	\$0.00
Improvements Other Than Buildings	\$5,000.00	\$2,000.00	\$5,000.00	\$2,000.00

Machinery, Equipment, and Vehicles

- Included on the capital asset ledger at historical cost
 - Historical Cost is the same as acquisition cost
- Estimated Historical Cost
 - *Can use FMV or Replacement Value multiplied by Consumer Price Index Factor*
- Machinery, Equipment, and Vehicles are included on the AFR under Depreciable Assets
- Examples: vehicles, tractor, snowplow
- Best Practice: Straight Line Depreciation

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Machinery, Equipment & Vehicles

Capital Asset Ledger															
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Types of Capital Assets						Books and Other	Total Fixed Assets
								Land	Infra-structure	Buildings	Improvements Other Than Buildings	Machinery & Vehicles	Construction in Progress		
5/1/2020	Ford 150 Pickup	#456	123 Main Street	50,000	10 Years								50,000		50,000

To record Truck on capital asset ledger.

Depreciation:

Annual Depreciation = Historical Cost / Estimated Useful Life
 $\$50,000 / 10 \text{ years} = \$5,000$

Accumulated Depreciation = Years in Service x Annual Depreciation
 $\$5,000 \times 1 \text{ year} = \$5,000 \text{ as of January 1, 2021}$

Note: You can adopt a policy to show a full year of depreciation for the year in which the asset was purchased.

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Machinery, Equipment & Vehicles

Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	\$50,000.00	Required	Required	\$50,000.00
Books and Other	Required	Required	Required	\$0.00

Edit not recorded: A number must be provided for all required fields

Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	\$5,000.00	\$5,000.00	Required	\$10,000.00
Books and Other	Required	Required	Required	\$0.00

To record beginning balance for truck for 2021 and annual depreciation in 2021.

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Machinery, Equipment & Vehicles

Capital Asset Ledger																
Date of Purchase	Description of Asset	Serial No.	Location of Asset	Original Cost of Asset	Estimated Life of Asset	Date of Disposal of Asset	Amount Received on Disposal or Trade In	Types of Capital Assets					Machinery & Vehicles	Construction in Progress	Books and Other	Total Fixed Assets
								Land	Infra-structure	Buildings	Improvements Other Than Buildings	Buildings				
5/1/2020	Ford 150 Pickup	#456	123 Main Street	50,000	10 Years							50,000				50,000
5/1/2021	Tractor	#123	123 Main Street	8,000	10 Years							8,000				8,000

To record purchase of tractor in 2021 for \$8,000

Annual Depreciation = Historical Cost / Estimated Useful Life
 $\$8,000 / 10 \text{ years} = \800

You can adopt a policy to recognize a full year of depreciation in the year the asset was purchased. For the AFR you would show the annual depreciation for the new tractor as an addition to accumulated depreciation in 2021. (Cost of \$8,000 / estimated useful life of 10 years = \$800)

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Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	\$50,000.00	\$8,000.00		\$58,000.00
Books and Other	Required	Required	Required	\$0.00

Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	Required	Required	Required	\$0.00
Buildings	Required	Required	Required	\$0.00
Improvements Other Than Buildings	Required	Required	Required	\$0.00
Machinery, Equipment, and Vehicles	\$5,000.00	\$5,800.00		\$10,800.00
Books and Other	Required	Required	Required	\$0.00

The beginning balance for depreciable assets is the bookmobile of \$50,000. Then we add the purchase of the tractor in 2021 of \$8,000 on the AFR.

For accumulated depreciation, the beginning balance of \$5,000 is for the bookmobile as of January 1. In 2021 annual depreciation is added for the bookmobile of \$5,000 and the tractor of \$800.

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Gateway Capital Asset schedule

- 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

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Up Next . . .

- ✓ SRF accounting
- ✓ CARES
- ✓ Cyber Incident Reporting to IOT
- ✓ "All-Inclusive" Bank Reconciliation
- ✓ Reporting Misappropriation of Public Funds



Indiana State Board of Accounts - 2021

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State Revolving Fund

If you have SRFs where BNY Mellon is the trustee and even though the dollars don't physically flow through your control, they are still considered public funds and are to be accounted for in funds on your ledgers and included in Annual Financial Reports.

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of transaction. (*Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1*)

All financial information of the entity shall be included on the financial statement even if the activity has not been included in the financial records of the entity. (*Accounting and Financial Regulatory Reporting Manual, Part III*)



Indiana State Board of Accounts - 2021

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CARES

<https://www.in.gov/sboa/files/Directive-2020-3-Accounting-for-CARES-Administered-by-IFA-10.22.2020.pdf>

Option Two. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020.**



Indiana State Board of Accounts - 2021

Cyber Incident Reporting to IOT

<https://www.in.gov/cybersecurity/in-isac/cyber-incident-reporting-law/>

Information about novel coronavirus (COVID-19)
Get the latest information about coronavirus and the Indiana Department of Health preparedness here - [COVID19.IN.GOV](https://www.in.gov/health/covid-19/)

IN GOV Indiana Cybersecurity Hub Report a Cyber Incident Events Calendar Request Form Cyber Careers IN ISAC Training/Events Executive Council Gov. Eric J. Holcomb

ISAC

IN ISAC • CYBER INCIDENT REPORTING LAW

CYBER INCIDENT REPORTING LAW

Indiana lawmakers recently passed legislation that will increase the amount of information sharing regarding cyberattacks and other threats across state agencies and local government. This new law requires public-sector entities to report incidents such as ransomware, software vulnerability exploitations, denial-of-service attacks and more.



Cyber Incident Reporting to IOT

What are cybersecurity incidents?

A malicious or suspicious occurrence that consists of one or more of the categories of attack vectors:

- Jeopardizes or may potentially jeopardize the confidentiality, integrity, or availability of an information system, an operational system or the information that such system processes, stores or transmits;
- Jeopardizes or may potentially jeopardize the health and safety of the public; or
- Violates security policies, security procedures or acceptable use policies.



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Cyber Incident Reporting to IOT

Which attacks must be reported?

- Ransomware
- Business Email Compromise
- Vulnerability Exploitation
- Zero-day exploitation
- Distributed Denial of Service
- Website defacement

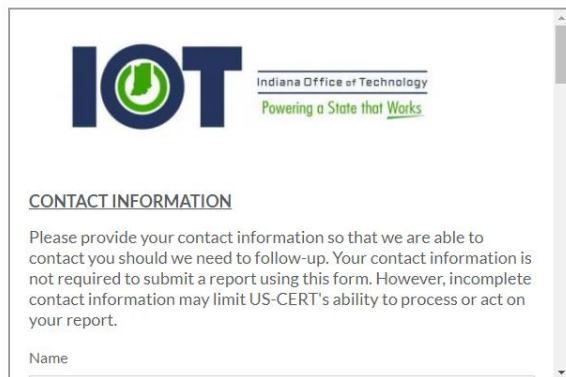
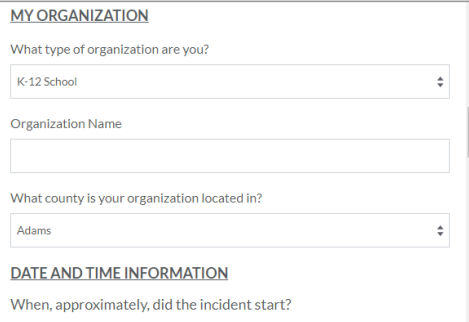


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Cyber Incident Reporting to IOT

Report a cybersecurity incident here:


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All Inclusive Bank Reconciliation

Newly Elected or Appointed Fiscal Officers - Virtual State Called Meeting - August 2020

- [Gordon - SBOA Introduction and Reporting](#)
 - [Video: Welcome by Paul Joyce, State Examiner and Overview of SBOA](#)
 - [Video: Reports and Information to be filed with the SBOA](#)
 - [Video: Demonstration of Monthly and Annual Engagement Uploads](#)
 - [Video: Tour of SBOA Website](#)
- [Caldwell/Gordon - Audits, Start to Finish](#)
 - [Video: Day 2](#)
- [Caldwell - Bank Reconciliation](#)
 - [Video: Bank Reconciliation](#)
- [Caldwell - Fund Sources and Uses](#)



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Bank Reconciliation Town of Toddville December 2021		All Inclusive Bank Reconciliation	
General Account Balance - 12/31/21	\$ 74,832.14		
Water Account Balance - 12/31/21	18,555.79		
Wastewater Account Balance - 12/31/21	11,123.45		
Add:		Fund Balances	
Deposits in Transit - General	150.17	General	\$ 27,852.36
Deposits in Transit - Water	417.64	MVH	17,941.16
Deposits in Transit - Wastewater	-	MVHRestricted	1,123.88
Subtract:		LRS	8,117.00
Outstanding Checks - General	(5,170.54)	Park	4,111.99
Outstanding Checks - Water	(989.42)	Riverboat	647.56
Outstanding Checks - Wastewater	(423.11)	CCI	10,057.72
Add/Subtract:		Water Operating	13,682.92
NSF Checks		Water Meter Deposit	4,321.09
General	30.00	Wwater Operating	8,941.14
Water	20.00	WW Depreciation	1,759.10
Encoding Error			
General	9.90		
Wastewater	(0.10)		
Subtotal all funds	\$ 98,555.92		
Ledger balance 12/31/21	(98,555.92)		
Difference	\$ -		\$ 98,555.92



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Reporting Employee Theft

IC 5-11-1-27(f) – requires a public officer to immediately report misappropriation of public funds (theft) to SBOA and prosecuting attorney (in writing).

There is **no** dollar threshold – **any known or suspected theft** is to be reported.

See March 2018 *Cities & Towns Bulletin*:
<https://www.in.gov/sboa/files/March-2018-Cities-and-Towns.pdf>



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American Rescue Plan — Premium Pay

State Examiner Directive 2021-3



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State Examiner Directive 2021-3

- *Funds may be used for costs incurred "to respond to workers performing **essential work** during the COVID-19 public health emergency by providing **premium pay** to **eligible workers** . . . that are performing such **essential work** . . ." (our emphasis)*
- *Definitions*
- *Bonuses*
- *Elected Officials*

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Audit Expectations

- 1. The amount of Premium Pay provided to an employee must be supported by an hourly rate for hours worked; all calculations must be maintained for audit.
- 2. Documentation must be available for audit showing that Premium Pay provided to an employee was for hours worked with regular in-person interaction or physical handling of items, rather than telework from a residence.
- 3. Documentation must be available for audit to show that the amount of Premium Pay provided to an employee did not exceed \$13 per hour or the maximum of \$25,000 per worker.
- 4. If the amount of premium pay exceeded the 150% of the State or County average annual wage, the written justification for that payment must be provided.

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Audit Expectations

- 5. Premium Pay provided to employees must comply with Indiana statute and be included in the salary ordinance or amended salary ordinance.
- 6. Premium Pay provided to an elected official must be included in the budget and salary ordinance adopted in the previous year.
- 7. Written internal control procedures and evidence of those internal control procedures must be established to provide reasonable assurance that the financial, compliance and reporting objectives for ARPA funds will be achieved.
- 8. The procedures outlined all State Examiner Directives and related memorandums must be followed.

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Contact Information

- Todd Caldwell or Susan Gordon
- Cities.towns@sboa.in.gov
- 317-232-2513

*We have enjoyed working with
you in 2021.*

*Have a Merry Christmas and
Happy New Year!*

Todd and Susan