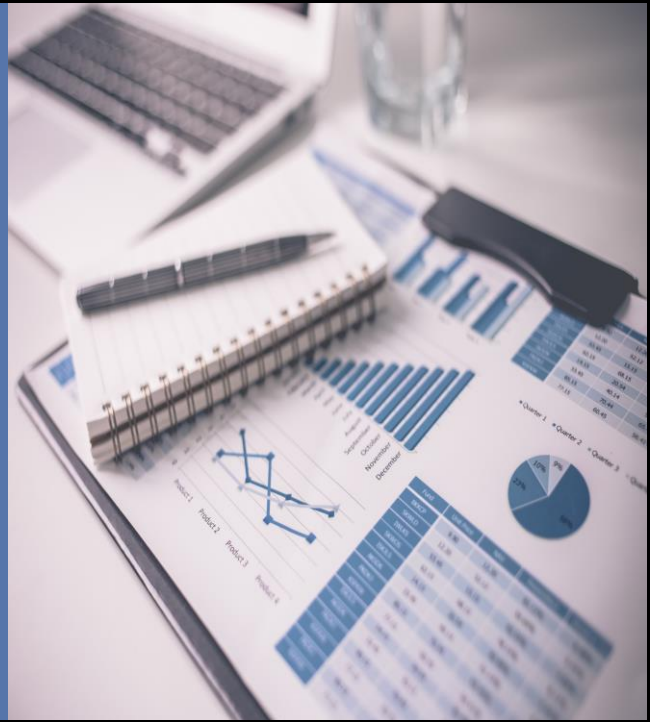


REGULATORY REPORTING

An Overview of Training Throughout 2021



2021



1

Basis of Accounting

GAAP Basis of Accounting and Reporting

- Generally Accepted Accounting Principles

Regulatory Basis of Accounting and Reporting

- Prescribed by the State Examiner



2

Basis of Accounting

IC 5-1-11.5-4 – GAAP Reporting Required

- Population greater than 75,000
- Bond Issuance after June 30, 2020

IC 5-11-1-30 - Request for GAAP Audit

- Council Resolution
- SBOA Approval Process
- cities.towns@sboa.in.gov



3

Regulatory Reporting – Enhanced

• Financial Statements

➢ Fund Types

General
Special Revenue
Debt Service
Capital Projects
Permanent

Proprietary
 ➢ Enterprise
 ➢ Internal Service
 Fiduciary
 ➢ Trust
 ➢ Clearing



Indiana State Board of Accounts - 2021

4

Financial Statements – Regulatory (current)

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended December 31, 2017 and 2018

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-17	Receipts	Disbursements	12-31-17	Receipts	Disbursements	12-31-18
GENERAL FUND	\$ 689,062	\$ 1,885,512	\$ 1,831,802	\$ 742,772	\$ 1,866,792	\$ 1,860,757	\$ 748,807
MOTOR VEHICLE HIGHWAY	302,011	598,009	481,069	418,951	536,242	503,424	451,769
LOCAL ROAD & STREET	100,423	58,357	-	158,780	81,616	-	240,396
ECONOMIC DEV TIF BOND	1,989,326	825,544	612,521	2,202,349	897,027	940,938	2,158,438
Trash Collection Fee Fund	9,149	168,969	174,664	3,454	177,996	175,040	6,410
LOCAL LAW ENF CONT ED	24,087	7,753	19,252	12,588	6,292	9,130	9,750
CLERK RECORD PERPETUATION	8,660	8,762	11,347	6,075	20,524	14,591	12,008
UNSAFE BUILDING	6,399	-	-	6,399	450	450	6,399
PARK & RECREATION	137,141	758,317	741,900	153,558	789,658	791,365	151,851
USER FEE FUND	10,887	73,868	73,472	11,283	159,990	161,837	9,436
RAINY DAY FUND	212,770	34,388	179,551	67,607	12,543	15,294	64,856
CUM CAP IMP - CIG TAX	41,288	10,343	42,501	9,130	9,942	5,580	13,492
CUM CAP DEVELOPMENT	24,980	66,084	-	91,064	33,565	-	124,629
VICTIM IMPACT FUND	3,700	5,085	4,525	4,260	4,565	3,242	5,583
LOIT-PUBLIC SAFETY	32,318	174,899	205,808	1,409	167,697	174,667	(5,561)
PETTY CASH	875	-	-	875	-	-	875
PAYROLL WITHHOLDINGS	16,983	1,944,897	1,943,213	18,667	2,112,637	2,115,652	15,652
TOWN COURT FIDUCIARY FUND	29,453	223,407	228,441	24,419	234,170	234,405	24,184



Indiana State Board of Accounts - 2021

5

Financial Statements – Regulatory (enhanced)

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2021

	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Fiduciary	Total
Cash and investments - beginning	\$ 57,257	\$ 1,209,029	\$ 1,031,317	\$ 6,594,453	\$ 1,474,857	\$ 213,864	\$ 10,580,777
Receipts							
Taxes	1,576,512	711,758	338,496	-	-	167,949	2,794,715
Licenses and permits	6,285	5,420	6,951	-	-	-	18,656
Intergovernmental	249,708	454,924	22,399	-	-	-	727,031
Charges for services	55,650	673,250	32,405	-	-	-	761,305
Fines and forfeits	706	992	-	-	-	-	1,698
Utility fees	-	-	-	-	2,275,463	-	2,275,463
Other receipts	9,143	128,894	8,219	4,614,205	225,377	599,740	5,585,578
Total receipts	1,898,004	1,975,238	408,470	4,614,205	2,500,840	767,689	12,164,446
Disbursements							
Personal Services	1,279,468	598,446	-	-	542,921	91,603	2,512,438
Supplies	75,068	123,703	-	-	-	-	198,771
Other Services and charges	463,030	1,284,744	236,869	-	39,054	34,439	2,058,136
Debt service - principal and interest	-	-	-	4,902,756	-	14,848	4,917,604
Capital outlay	16,129	220,274	75,000	-	-	-	311,403
Utility operating expenses	-	-	-	-	1,142,595	-	1,142,595
Other disbursements	36,231	14,996	-	-	725,193	596,224	1,372,644
Total disbursements	1,869,926	2,242,163	311,869	4,902,756	2,449,763	737,114	12,513,591
Excess (deficiency) of receipts over disbursements	28,078	(266,925)	96,601	(288,551)	51,077	30,575	(349,145)
Cash and investments - ending	\$ 85,335	\$ 942,104	\$ 1,127,918	\$ 6,305,902	\$ 1,525,934	\$ 244,439	\$ 10,231,632

The notes to the financial statements are an integral part of this statement



Indiana State Board of Accounts - 2021

6

Chart of Accounts – Revised

• Revision to Numbering System

- 4 digit instead of 3
- Example: Local Road & Street

Old
202
➔
New
2202

- Will be by fund type
- Effective 1/1/2022



Indiana State Board of Accounts - 2021

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Regulatory Reporting – Enhanced

• Notes Disclosures

Reporting Entity
 Basis of Accounting
 Cash & Investments
 Receipts
 Disbursements

Budgets
 Property Taxes
 Deposits & Investments
 Risk Management



Indiana State Board of Accounts - 2021

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Regulatory Reporting – Enhanced

• Notes Disclosures

NEW or ENHANCED

Capital Assets

✓ Depreciation

Debt

✓ Long-Term

✓ Changes

✓ Leases

Interfund Activity (transfers)

Negative Cash Balances

Contingent Liabilities

Commitments

Subsequent Events

Pensions

OPEB



Indiana State Board of Accounts - 2021

Note Disclosure – Capital Assets (enhanced)

General Government Assets	Beginning Balance 01/01/20	Additions	Reductions	Ending Balance 12/31/20
Capital assets not being depreciated				
Land	1,371,633	500,000	49,682	1,821,951
Construction in progress	75,000	25,000	-	100,000
Total capital assets not being depreciated	<u>1,446,633</u>	<u>525,000</u>	<u>49,682</u>	<u>1,921,951</u>
Capital assets being depreciated				
Infrastructure	1,591,231	352,789	256,251	1,687,769
Buildings	25,348,431	3,500,000	1,750,000	27,098,431
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	9,476,302	2,000,000	1,260,350	10,215,952
Total capital assets being depreciated	<u>36,415,964</u>	<u>5,852,789</u>	<u>3,266,601</u>	<u>39,002,152</u>
Less: Accumulated depreciation				
Infrastructure	106,612	23,637	17,169	113,080
Buildings	1,698,345	234,500	117,250	1,815,595
Improvements other than Buildings	-	-	-	-
Machinery, Equipment and Vehicles	634,912	134,000	84,443	684,469
Total accumulated depreciation	<u>2,439,870</u>	<u>392,137</u>	<u>218,862</u>	<u>2,613,144</u>
Net capital assets being depreciated	<u>\$ 33,976,094</u>	<u>\$ 5,460,652</u>	<u>\$ 3,047,739</u>	<u>\$ 36,389,008</u>



Indiana State Board of Accounts - 2021

Note Disclosure - Debt Service (enhanced)

Changes in Long-term Debt

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

	Beginning Principal Balance 01-01-20	Additions	Reductions	Ending Principal Balance 12-31-20	Principal and Interest Due Within One Year
<u>General Government</u>					
General Obligation Bonds	\$ 605,000	\$ 72,756	\$ 92,756	\$ 585,000	\$ 42,526
<u>Water Utility</u>					
Notes and Loans Payable	2,812,824	1,500,000	1,673,000	2,639,824	279,889
<u>Wastewater Utility</u>					
Revenue Bonds	2,750,000	3,000,000	3,137,000	2,613,000	191,560
Totals	\$ 6,167,824	\$ 4,572,756	\$ 4,902,756	\$ 5,837,824	\$ 513,975



Indiana State Board of Accounts - 2021

Note Disclosure - Debt Service (enhanced)

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

	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 20,000	\$ 22,526	\$ 42,526
2023	20,000	22,101	42,101
2024	30,000	21,538	51,538
2025	40,000	23,587	63,587
2026	50,000	24,567	74,567
2027-2031	425,000	128,178	553,178
	<u>\$ 585,000</u>	<u>\$ 242,497</u>	<u>\$ 827,497</u>
<u>Water Utility</u>			
	Notes and Loans Payable		
	Principal	Interest	Total
2022	\$ 178,000	\$ 101,889	\$ 279,889
2023	186,000	94,905	280,905
2024	193,000	87,610	280,610
2025	195,000	85,642	280,642
2026	197,000	83,442	280,442
2027-2031	691,000	149,697	840,697
2032-2036	999,824	91,956	1,091,780
	<u>\$ 2,639,824</u>	<u>\$ 695,141</u>	<u>\$ 3,334,965</u>



Indiana State Board of Accounts - 2021

Regulatory Reporting – Enhanced

• **Notes Disclosures**

NEW or ENHANCED

Conduit Debt

Tax Abatements

Landfill Closure

Related Party Transactions

Joint Ventures



Indiana State Board of Accounts - 2021

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Note Disclosures – Conduit Debt (enhanced)

Conduit Debt Obligations

From time to time, the City issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2021, there were fourteen series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$27.5 million.



Indiana State Board of Accounts - 2021

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Note Disclosures – Tax Abatements (enhanced)

Tax Abatements

The Town enters into property tax abatement agreements with local businesses under the state Economic Development Opportunity Act of 2007 (Act). Under the Act, political subdivisions may grant property tax abatements of up to 50 percent of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Town.

For the fiscal year ended December 31, 2020, the Town abated property taxes totaling \$146,480 under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 40 percent property tax abatement to a grocery store chain for purchasing and opening a store in an empty storefront in the business district. The abatement amounted to \$97,500.
- A 50 percent property tax reduction for a local restaurant increasing the size of its restaurant and catering facility and increasing employment. The abatement amounted to \$21,750.



Indiana State Board of Accounts - 2021

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Be On The
Lookout
For Training
Related
To . . .

- **Financial statement reporting**
- **Fund types**
- **Chart of accounts**
 - ✓ **Revised fund numbers**
- **Note disclosures**
 - ✓ **Capital assets**
 - ✓ **Debt reporting**
 - ✓ **Conduit debt**
 - ✓ **Tax Abatements**
- **And More . . .**



Indiana State Board of Accounts - 2021

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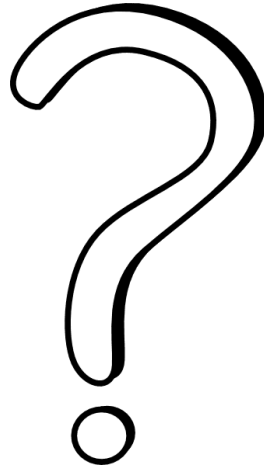
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Questions



Indiana State Board of Accounts - 2021