

# ANNUAL FINANCIAL REPORT

## *ENHANCED REGULATORY UPDATES*

---

INDIANA STATE LIBRARY FALL WORKSHOP

NOVEMBER 2021

1

## UNIT QUESTIONS

---



2

## AFR UNIT QUESTIONS - NEW

---

7a. What is your capital asset threshold?

5000

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

3

## 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.

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

4

## AFR UNIT QUESTIONS - NEW

---

**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 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

5

## AFR UNIT QUESTIONS - NEW

---

**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

6

## 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

7

## 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.

8

## AFR UNIT QUESTIONS - NEW

---

21. Has your unit established any of the following entities?

Holding Corporation (Building Corp)

Redevelopment Authority

Land Bank

Yes  No

Yes  No

Yes  No

9

## GRANT SCHEDULE

---

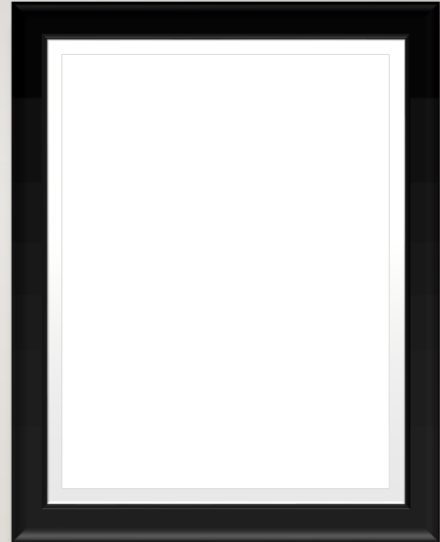
- For the 2021 Annual Financial Report an optional upload is now available for Grant reporting.
- Specifications will be available in the user guide and on our website on the libraries page under Gateway



10

# 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](http://www.in.gov/sboa)



# DRAFT FINANCIAL STATEMENT EXAMPLE

TOWN OF EXAMPLE, EXAMPLE COUNTY  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
For the Year Ended December 31, 2020

Town of Example  
Statement of Receipts and Disbursements  
December 31, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Fund	Fiduciary Fund	Totals
Cash and investments - beginning	\$ 87,857	\$ 1,209,029	\$ 1,031,317	\$ 6,594,453	\$ 1,474,957	\$ 213,984	\$10,588,777
Receipts							
Taxes	1,576,512	711,758	338,496	-	-	167,949	2,794,715
Licenses and permits	5,285	5,420	6,951	-	-	-	18,656
Intergovernmental	249,708	454,924	22,399	-	-	-	727,031
Charges for services	65,650	673,250	32,465	-	-	-	761,365
Fines and forfeits	795	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	1,875,238	406,470	4,614,205	2,600,840	767,689	12,164,446
Disbursements							
Personal services	1,279,468	596,446	-	-	542,921	91,603	2,512,438
Supplies	75,068	123,703	-	-	-	-	198,771
Other services and charges	463,030	1,284,744	236,069	-	39,954	34,439	2,058,136
Debt service - principal and interest	-	-	-	4,902,756	-	-	4,902,756
Capital outlay	16,129	220,274	75,000	-	-	-	311,403
Utility operating expenses	-	-	-	-	1,142,696	-	1,142,696
Other disbursements	36,231	14,996	-	-	725,193	696,224	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)	94,601	(288,551)	151,077	30,575	(349,145)
Cash and investments - ending	\$ 85,336	\$ 947,104	\$ 1,127,918	\$ 6,305,902	\$ 1,625,934	\$ 244,439	\$10,233,632

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

## FUND TYPE CLASSIFICATION – NEW SCHEDULE

year: 2021

### Annual Financial Report Main Menu ?

The sections below are the ones that are required to complete your annual financial report. Some of these sections are based on the answers that you gave to the questions on the previous screen. If you need to go back and change any of the answers to those questions, click on Unit Questions above.

Unit Information		Status
<a href="#">Unit Questions</a>	The answers to these questions determine what forms are available in the system.	Complete
<a href="#">Identify Enterprises</a>	Identify your utilities and other enterprises that operate like a business. Examples include Public Transportation, Convention Centers, Parking Garages, Airports, Internet Services, etc.	3 Enterprise(s)
<a href="#">Departments</a>	Select departments that are in use and provide local names for some departments.	Not Entered
<a href="#">Schedule of Officials</a>	Enter information regarding officials and contact information.	Complete
Core Reporting		Status
<a href="#">Financial Data by Fund</a>	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.	50 Fund(s)
<b>Fund Type</b>	Select the fund type for funds entered in financial data by fund.	23 Fund Types Not Selected
<a href="#">Capital Assets</a>	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.	\$5,006,022 in Assets
<a href="#">Grants</a>	Complete the Grant Schedule for grants you received or disbursed money from during the year.	1 Grant(s)

13

## FUND TYPE CLASSIFICATION – NEW SCHEDULE

### Governmental Activities

Local Fund Name	Fund Type
000000004 - GRANTS 902804 GRANTS	Special Revenue
000000005 - POLICE PENSION 107002 Police Pension	Pension Trust
000000006 - LEVY EXCESS FUND 102351 Levy Excess	Special Revenue
000000007 - POLICE BUILDING & EQUIPMENT 902800 POLICE BUILDING & EQUIPMENT	<div style="border: 1px solid black; padding: 2px;"> <ul style="list-style-type: none"> <li>Special Revenue</li> <li>General Fund</li> <li style="background-color: #007bff; color: white;">Special Revenue</li> <li>Debt Service</li> <li>Capital Projects</li> <li>Permanent Enterprises</li> <li>Internal Service</li> <li>Pension Trust</li> <li>Private Purpose Trust</li> <li>Investment Trust</li> <li>Custodial</li> <li>Other</li> </ul> </div>
000000009 - CUM CAPITAL IMPROVEMENTS	

### elec

Local Fund Name	Fund Type
1111 - general 106850 Enterprise Operating	

14

## DEBT SCHEDULE

---



15

## DEBT SCHEDULE – 2020 VERSION

---

**Governmental Activities**

Delete	Debt Class	Description or Purpose	Beginning Principal Balance as of Jan. 1, 2020	Additions
✘	General Obligation Bonds	Bond	\$5,000.00	\$10,000.00
✘	Notes and Loans Payable	Loan	\$0.00	\$0.00

16



# AFR DEBT SCHEDULE

## UPDATES FOR 2021

**Debt** ?
Save All Work    Return to AFR Main Menu

Complete the Debt Schedule (bond issues, lines of credit, etc) as of the end of the year.

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

**Governmental Activities - Long Term Debt** Add Row

Delete	Debt Class	Description or Purpose	Beginning Principal Balance as of Jan. 1, 2021	Additions
✗	General Obligation Bonds	Bond	\$12,000.00	Required

**Governmental Activities - Short Term Debt** Add Row

Delete	Debt Class	Description or Purpose	Beginning Principal Balance as of Jan. 1, 2021	Additions
✗	Claims and Judgments		Required	Required

17

# AFR DEBT SCHEDULE

## UPDATES FOR 2021

**Governmental Activities - Long Term Debt** Add Row

Delete	Debt Class	Description or Purpose	Beginning Principal Balance as of Jan. 1, 2021	Additions
✗	General Obligation Bonds	Bond	\$12,000.00	Required
✗	General Obligation Bonds	Required	Required	Required

**Governmental Activities - Short Term Debt** Add Row

Delete	Debt Class	Description or Purpose	Beginning Principal Balance as of Jan. 1, 2021	Additions
✗	Claims and Judgments	Required	Required	Required

18

## 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

19

## TAX ABATEMENTS

---



20

“A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which

---

## TAX ABATEMENTS

- (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.”

21

GASB 77 requires the disclosure of

---

## TAX ABATEMENTS

- (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.*)

22

## Tax Abatements Save All Work | Return to AFR Main Menu

Complete the schedules below with information about tax abatements that have an effect on this unit.

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

**Direct Agreements**  
 Agreements entered into by the reporting governments Add Row

Delete	Abatement Name	Purpose of the Abatement Program	The specific tax being abated	Amount of tax revenues reduced as a result of Tax Abatements	Amount receivable, if any, as a result of the Tax Abatements

**Indirect Agreements**  
 Agreements entered into by other governments and reduce the reporting government's tax revenues. Add Row

Delete	Government Name	▲ Name of Abatement	The specific tax being abated	Amount of tax revenues reduced as a result of Tax Abatements	Amount receivable, if any, as a result of the Tax Abatements

Data Posted

NEW  
SCHEDULE  
IN 2021

23

## AFR TAX ABATEMENTS SCHEDULE – NEW INDIRECT AGREEMENTS

**Indirect Agreements**  
 Agreements entered into by other governments and reduce the reporting government's tax revenues. Add Row

Delete	Government Name	▲ Name of Abatement	The specific tax being abated	Amount of tax revenues reduced as a result of Tax Abatements	Amount receivable, if any, as a result of the Tax Abatements
✖	Caldwell County	Manufacturer 1	Property	\$110.00	\$0.00

24

# 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)

25

## INTERFUND ACTIVITY

---



26

## INTERFUND ACTIVITY

- Indiana Cod 36-I-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...

27

## INTERFUND LOAN ACTIVITY SCHEDULE - NEW

### Interfund Loan Activity (Due to/Due from) ?

Save All Work

Return to AFR Main Menu

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!

Add Row

Delete	Due From	Due To	Amount
X	0000000023 PARK & RECREATION	0000000110 RAINY DAY FUND	\$10,000.00

**Total: \$10,000.00**

28

# CAPITAL ASSETS



29

## CAPITAL ASSETS SCHEDULE – 2020 VERSION

Government or Enterprise	Beginning Balance as of January 1, 2020	Additions	Reductions	Ending Balance as of December 31, 2020
Land	\$5,003,500.00	\$0.00	\$0.00	\$5,003,500.00
Infrastructure	\$1,000.00	\$0.00	\$0.00	\$1,000.00
Building	\$0.00	\$0.00	\$0.00	\$0.00
Improvement	\$0.00	\$0.00	\$0.00	\$0.00
Machinery	\$0.00	\$0.00	\$0.00	\$0.00
Construction	\$0.00	\$400.00	\$0.00	\$400.00
Books	\$0.00	\$1,000.00	\$500.00	\$500.00

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Governmental Activities Totals:</b>	\$5,004,500.00	\$1,400.00	\$500.00	\$5,005,400.00

30

## AFR CAPITAL ASSETS

## UPDATES FOR 2021

### Governmental Activities - Non-Depreciable Assets

Government or Enterprise	Beginning Balance as of July 1, 2020	Additions	Reductions	Ending Balance as of June 30, 2021
Land	\$50,000.00	\$0.00	\$0.00	\$50,000.00
Construction in Progress	\$75,000.00	\$25,000.00	\$100,000.00	\$0.00
Other Non-Depreciable Assets	\$5,000.00	\$0.00	\$0.00	\$5,000.00

### Governmental Activities - Depreciable Assets

Government or Enterprise	Beginning Balance as of July 1, 2020	Additions	Reductions	Ending Balance as of June 30, 2021
Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00
Buildings	\$4,000,000.00	\$0.00	\$0.00	\$4,000,000.00
Improvements Other Than Buildings	\$526,000.00	\$0.00	\$0.00	\$526,000.00
Machinery, Equipment, and Vehicles	\$875,000.00	\$28,460.00	\$8,900.00	\$894,560.00
Books and Other	\$69,000.00	\$5,900.00	\$8,000.00	\$66,900.00

### Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of July 1, 2020	Additions	Reductions	Ending Balance as of June 30, 2021
Infrastructure	\$8.88	\$0.00	\$0.00	\$8.88
Buildings	\$0.00	\$0.00	\$0.00	\$0.00
Improvements Other Than Buildings	\$0.00	\$0.00	\$0.00	\$0.00
Machinery, Equipment, and Vehicles	\$0.00	\$0.00	\$0.00	\$0.00
Books and Other	\$0.00	\$0.00	\$0.00	\$0.00

31

## 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

32



## CONTACT INFORMATION

---

- Todd Caldwell or Susan Gordon
- [Libraries@sboa.in.gov](mailto:Libraries@sboa.in.gov)
- 317-232-2513

