

ANNUAL FINANCIAL REPORT

County Auditor Virtual Meeting
October 2020



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Changes

- Memo issued on April 27, 2020 – Enhanced Regulatory Delays
Available on SBOA website
- [https://www.in.gov/sboa/files/Enhanced%20Regulatory%20Delay%2004 27 2020.pdf](https://www.in.gov/sboa/files/Enhanced%20Regulatory%20Delay%2004%2027%202020.pdf)



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April 27, 2020 Bulletin

- The audits for 2019 were done on the regulatory basis of accounting and not the enhanced regulatory so the report format did not change.
- The changes to Gateway that were in place when you completed the 2019 AFR are still in place for the 2020 AFR due in March 1, 2021
- The changes originally proposed for the 2020 AFR were not added to Gateway and will not be required in completing the 2020 AFR
- No change to financial reporting requirements on IC 5-1-11.5 for counties providing GAAP reports before issuing bonds



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Overview

Regulatory Basis of Accounting and Reporting

- Prescribed by the State Examiner

GAAP Basis of Accounting and Reporting

- Generally Accepted Accounting Principles



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Fund	Cash and Investments		Cash and Investments	
	01-01-18	Receipts	Disbursements	12-31-18
General	\$ 457,499	\$ 4,412,246	\$ 4,010,167	\$ 859,578
Accident Report	7,317	1,427	-	8,744
CEDIT County Share	195,039	495,638	529,273	161,604
City and Town Court Costs	97,845	5,690	-	103,535
Clerk's Records Perpetuation	39,422	12,050	886	50,586
Sales Disclosure - County Share	13,982	3,035	-	17,017
Cumulative Bridge	997,730	639,767	992,002	645,504
Cumulative Capital Development	479,884	295,893	216,459	559,318
Cumulative Courthouse	5,523	-	5,523	-
Drug Free Community	34,192	41,485	64,000	11,677
Emergency Planning/Right to Know	17,809	-	-	17,809
Enhanced Access Fund	1,258	4,762	5,363	657
Firearms Training	21,403	7,838	14,288	14,953
Health	23,924	103,695	110,726	16,893
Identification Security Protection	15,002	3,276	13,236	5,042
Levy Excess	99	-	99	-
Local Health Maintenance	14,938	39,423	46,249	8,112
Local Road and Street	118,124	307,250	130,752	294,622
LOIT Public Safety - County Share	-	940,012	751,374	188,638
Misdemeanant	20,773	12,985	8,954	24,804
Motor Vehicle Highway	806,036	2,921,235	2,726,375	1,000,896
Park Nonreverting Operating	25,705	5,065	8,854	21,916
Plat Book	9,952	9,100	4,770	14,282
Rainy Day	786	-	-	786
Reassessment - 2015	353,951	266,349	268,259	352,041
Recorder's Records Perpetuation	28,426	48,084	5,230	71,280
Riverboat	1,120,654	1,604,237	821,512	1,903,379



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Example County
Statement of Receipts, Disbursements, and
Cash and Investment Balances - Regulatory Basis
For the Year Ended December 31, 2019

	County General	Sheriff Accident Report	CAGIT County Certified Shares	Campaign Finance Enforcement	CEDIT County Portion	City/Town Court Cost	Clerk's Record Perpetuation	Comm Corr Project Income	Community Transition Program	County Sales Disclosure	Cum Bridge
Cash and investments - beginning	\$ 939,608	\$ 1,045	\$ 182,373	\$ 1,000	\$ 750,970	\$ 15,232	\$ 73,686	\$ 90,806	\$ 21,434	\$ 78,912	\$ 1,663,628
Receipts:											
Taxes	4,292,252	-	-	-	-	-	-	-	-	-	1,396,602
Licenses and permits	94,273	-	-	-	-	-	-	-	-	-	-
Intergovernmental	6,038,165	-	-	-	2,387,982	-	-	-	-	-	168,678
Charges for services	736,590	-	-	-	-	-	-	-	-	18,210	-
Fines and forfeits	444,521	-	-	-	-	29,482	61,885	258,362	-	-	-
Other receipts	12,301,468	16,257	-	-	-	2,900	6,019	7,439	9,300	-	75
Total receipts	23,907,269	16,257	-	-	2,387,982	32,382	67,904	265,801	9,300	18,210	1,555,255
Disbursements:											
Personal services	16,019,245	-	-	-	700,000	-	53,299	239,762	-	-	456,955
Supplies	667,067	-	-	-	-	-	490	6,190	3,507	-	35,215
Other services and charges	5,312,236	-	-	-	1,069,764	30,775	-	52,241	962	-	539,082
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,253,799	10,385	-	-	-	-	-	835	-	-	663,908
Other disbursements	16,476	-	182,374	-	-	-	-	-	-	-	-
Total disbursements	23,268,823	10,385	182,374	-	1,769,764	30,775	53,789	299,028	4,469	-	1,695,160
Excess (deficiency) of receipts over disbursements	638,446	5,872	(182,374)	-	618,218	1,607	14,115	(33,227)	4,831	18,210	(139,905)
Cash and investments - ending	\$ 1,578,054	\$ 6,917	\$ (1)	\$ 1,000	\$ 1,369,188	\$ 16,839	\$ 87,801	\$ 57,579	\$ 26,265	\$ 97,122	\$ 1,523,723

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

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Financial Data by Fund

- Use of Standard Funds on Gateway
 - Chart of Accounts
- Use of Custom Funds
 - Local funds and Grant funds
- Special Cases
 - MVH and MVH Restricted should be shown separately on the AFR
 - CAGIT, COIT, LOIT funds should not be used any longer
 - Reassessment Fund – should only be one Fund 1224
 - E911 Funds – should only be one Fund 1222
 - Child Advocacy Fund 1115 should not be used



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Receipt and Disbursement Accounts

- Chart of Account Instructions
- Major Classifications
 - Receipts:
 - Taxes, Licenses and permits, Intergovernmental, Charges for services; Fines and Forfeitures, Other Receipts
 - Disbursements:
 - Personal Services, Supplies, Other Services and Charges, Debt Ser Capital Outlays, Other Disbursements



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Note Disclosures

Changes for Enhanced Regulatory Reports



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Updates – Debt

Financial Statement Note Disclosure

- **Long-term debt requirements**
 - *Beginning and ending balances*
 - *Activity during the year*
 - *Payment due in next year*

- **Debt service requirements to maturity**
 - *Payments for the next five years*
 - *Payments in five-year increments until maturity*
 - *DLGF amortization schedule*



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2020 Audit Reports - Debt

Note X. Long-term Debt

A. Changes in Long-term Debt

Changes in long-term obligations for the year ended December 31, 2019, are as follows:

<u>County</u>	<u>Beginning Balance 1/1/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Principal Balance 12/31/19</u>	<u>Due Within One Year</u>
General Obligation Bonds	\$ 605,000	\$ 72,756	\$ 92,756	\$ 585,000	\$ 42,526
<u>Memorial Coliseum</u>					
Notes and Loans Payable	2,812,824	1,500,000	1,673,000	2,639,824	279,889
Totals	\$ 3,417,824	\$ 1,572,756	\$ 1,765,756	\$ 3,224,824	\$ 322,415

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2020 Audit Reports - Debt

B. Debt Service Requirements to Maturity

Debt service requirements on long-term debt at December 31, 2019, are as follows:

<u>General Government</u> Year Ended December 31	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,000	\$ 22,526	\$ 42,526
2021	20,000	22,101	42,101
2022	30,000	21,538	51,538
2023	40,000	23,587	63,587
2024	50,000	24,567	74,567
2025-2029	425,000	128,178	553,178
	<u>\$ 585,000</u>	<u>\$ 242,497</u>	<u>\$ 827,497</u>

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2020 Audit Reports - Leases

Note X. Leases

The County has entered into a lease for ten police cars. The lease term began on January 15, 2017, and ends on July 15, 2027. The lease is being paid in semi-annual installments as defined in the schedule of rental payments of the lease agreement.

Principal and interest requirements to maturity as of December 31 2019, are as follows:

Year Ended December 31	Principal	Interest	Total
2020	\$ 29,976	\$ 2,372	\$ 32,348
2021	29,976	1,746	31,722
2022	29,976	1,130	31,106
2023	29,976	490	30,466
2024	29,976	334	30,310
2025-2027	<u>149,880</u>	<u>3,065</u>	<u>152,945</u>
Totals	<u>\$ 299,760</u>	<u>\$ 9,137</u>	<u>\$ 308,897</u>

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Transfers

- If you answer 'yes' to the unit question about interfund transfers, you will have a schedule to complete on the transfers.
- The schedule will allow you to select the fund from which the transfer was taken and the select the fund to which the amount was sent.
- There is one box for the amount that was transferred
- You can aggregate the amount between the same funds



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Interfund Transfers

Note to the Financial Statements for 2019

Note X. Interfund Activity

Interfund transfer activity for the year ended December 31, 2019, is as follows:

<u>Transfer From</u>	<u>Transfer to</u>			<u>Total</u>
	<u>General</u>	<u>Motor Vehicle Highway</u>	<u>Supplemental Beverage & Beverage</u>	
General	\$ -	\$ 300,000	\$ 7,500	\$ 307,500
Motor Vehicle Highway	2,000	-	-	2,000
Museum Coliseum - Operating	-	-	15,000	15,000
Total	\$ 2,000	\$ 300,000	\$ 22,500	\$ 324,500

With explanation of transfers which do not occur on a routine basis

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OPEB

- Other Post Employment Benefits are the benefits that are paid after the period of employment if the employee meets certain requirements similar to pension benefits.
- May include health coverage, death benefits, life insurance and disability insurance
- Does not include pension benefits, termination benefits or payments
- COBRA is not OPEB



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OPEB Required Information

- Name of the plan
- Type of plan
 - Defined Benefit – specifies coverage
 - Defined Contribution – only pays what was contributed
- Coverage under the plan
- Administrator of the plan
- Participants – inactive are no longer on payroll
- Actuarial Information, if available



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OPEB Contribution Rate

- Employer's rate is the rate the employer pays into the plan
- Employee's rate is the rate the employee pays into the plan
- Annual Covered Payroll is the total cost of the payroll for all employees eligible for this plan
- Cost Method
 - Pay as you go means you are not prefunding this plan
 - Other contribution funding policy should be specified in plan documents.



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Supplemental Schedules 2020

Capital Asset schedules



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2020 Supplementary Information

Capital Assets

Capital asset activity for the year ended December 31, 2019, was as follows:

County Assets	Beginning Balance 01/01/19	Additions	Reductions	Ending Balance 12/31/19
General Government Activities				
Land	\$ 1,371,633	\$ 500,000	\$ 49,682	\$ 1,821,951
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
Construction in Progress	75,000	25,000	-	100,000
Total general government capital assets	\$ 37,787,597	\$ 6,352,789	\$ 3,316,283	\$ 40,824,103
Memorial Coliseum				
Land	\$ 484,622	\$ 50,000	\$ 40,020	\$ 484,622
Infrastructure	5,716,235	200,000	-	5,916,235
Building	19,961,506	-	500,000	19,461,506
Improvements other than Buildings	-	-	-	-
Machinery, Equipment, and Vehicles	2,366,162	-	50,788	2,315,374
Construction in Progress	-	-	-	-
Total memorial coliseum capital assets	\$ 28,528,525	\$ 250,000	\$ 590,808	\$ 28,177,736

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2020 Capital Assets Audits

- Capitalization Policy
- Capital Assets Ledger
- Supporting Documentation
- Documented Basis for Asset Valuation
- Documented Basis for Estimated Useful Lives
- Internal Controls

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Supplemental AFR's

Financial Statement Information



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Supplemental AFR Reports

- Financial information for any funds of the county that are not maintained on the County funds ledger
 - Sheriff Commissary
 - Jail Inmate Trust and Juvenile Detention Trust
 - Clerk Trust
 - Clerk Child Support
 - Tourism funds if there is a separate treasurer
 - County Home Resident Trust
 - Treasurer After Settlement Collections



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Review of Supplemental Reports

- Beginning Balance should agree with prior year's ending balance
- Receipts and Disbursements should be reasonable
- Supplemental Report Amounts should be reviewed and traced back to actual report after they are entered
- Request these reports from the offices and departments
 - Supplemental Forms are available on the SBOA website
 - Due back to Auditor's office by January 20th
 - Instructions for completing the Supplemental Report is also found on the website.



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Resources

- Ricci Hofherr and Lori Rogers, Directors
- Directors of Audit Services for Counties
 - (317) 232-2512
 - Counties@sboa.in.gov
- Gateway Helpdesk
 - Gateway@sboa.in.gov



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