



Indiana State
Board of Accounts

February 2022
Webinar



twinkl.com

1

AFR – Reporting Conduit Debt

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.

Issued econ development bonds & loaned proceeds to borrower to provide financing of facilities. No obligation to City. Outstanding at 12/31 = \$4,321,000.

Conduit debt = A debt instrument issued in the name of a city/town that is for the benefit of a third party that is primarily liable for the repayment of the debt instrument.

If the reporting entity has any conduit debt, the text box should include:

- A general description of the conduit debt transactions.
- The aggregate amount of all conduit debt obligations outstanding at the financial statement date
- A clear indication that the issuer has no obligation for the debt beyond the resources provided by related leases or loans



2

AFR – Reporting Tax Abatements

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

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.



AFR – Reporting Tax Abatements

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
X	apate 0	purpose 1	property	\$5,000.00	\$0.00

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
X	govt name 1	indirect name 1	it	\$200.00	\$0.00



AFR – Reporting Tax Abatements

GORDON COUNTY ABATEMENTS FOR 2020 PAY 2021

PARCEL	016-00208-00	DEDUCTION AMOUNT	\$ 9,040.00
Name	American Fibertech Corp 123 US Highway 987 Toddville, IN 46064	ABATEMENT AUTHORITY	Town Council
		ABATED AMOUNT	\$122.22
		TYPE	REAL ESTATE
PARCEL	016-00744-00	DEDUCTION AMOUNT	\$ 714,500.00
Name	TEC, Inc. PO Box 9 Toddville, IN 46064	ABATEMENT AUTHORITY	Town Council
		ABATED AMOUNT	\$ 9,660.04
		TYPE	REAL ESTATE
PARCEL	102-00323-00	DEDUCTION AMOUNT	\$ 3,791,570.00
Name	Joyce Automotive PO Box 456 Avon, IN 46123	ABATEMENT AUTHORITY	Town Council
		ABATED AMOUNT	\$ 51,262.03
		TYPE	BUS PER PROP
PARCEL	118-00182-01	DEDUCTION AMOUNT	\$ 228,862.43
Name	Gordon Industrial Sales 456 US Highway 987 Toddville, IN 46064	ABATEMENT AUTHORITY	County Council
		ABATED AMOUNT	\$ 3,094.22
		TYPE	BUS PER PROP



Indiana State Board of Accounts - 2022

5

AFR – Reporting Tax Abatements

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Deduction Amount \$ 9,040.00
Tax Rate 1.352%

Deduction Value X Tax Rate
[\$9,040.00 x .01352]

Amount Abated \$ 122.22



Indiana State Board of Accounts - 2022

6

AFR – Reporting Tax Abatements

Direct Agreements

Add Row

Agreements entered into by the reporting governments

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
X	American Fibertech Corp	Economic Development	Real Property	\$122.22	\$0.00



Indiana State Board of Accounts - 2022

7

AFR – Reporting Tax Abatements

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Indiana State Board of Accounts - 2022

8

AFR – Reporting Tax Abatements

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Add Row

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X	American Fibertech Corp	Economic Development	Real Property	\$122.22	\$0.00
X	TEC, Inc.	Economic Development	Real Property	\$9,660.04	\$0.00
X	Joyce Automotive	Economic Development	Business Personal Property	\$51,262.03	\$0.00



Data Posted



Indiana State Board of Accounts - 2022

9

AFR – Reporting Tax Abatements

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[\$228,862.43 x .01352]

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Indiana State Board of Accounts - 2022

10

AFR – Reporting Tax Abatements

Indirect Agreements

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

Add Row

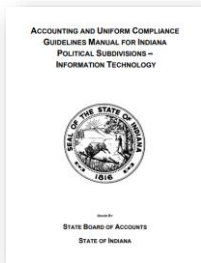
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X	Gordon Industrial Sales	Economic Development	Business Personal Property	\$3,094.22	\$0.00



AFR – Disaster Recovery Plan: Do I have one??

22. Do you have a disaster recovery plan? Yes, through vendor ▼

Possible Answers:
 Yes, through vendor
 Yes, in-house
 No



<https://www.in.gov/sboa/files/Information-Technology-Manual-2017-Amended.pdf>
 Page 9



AFR – Capital Assets / Accumulated Depreciation

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	\$55,500.00	\$0.00	\$0.00	\$55,500.00
Construction in Progress	\$46,038.51	\$0.00	\$46,038.51	\$0.00
Other Non-Depreciable Assets	\$0.00	\$0.00	\$0.00	\$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	\$2,104,027.30	\$814,361.00	\$281,985.59	\$2,636,402.71
Buildings	\$245,804.86	\$0.00	\$7,228.86	\$238,576.00
Improvements Other Than Buildings	\$146,478.04	\$4,112.00	\$9,950.00	\$140,640.04
Machinery, Equipment, and Vehicles	\$230,023.19	\$2,177.00	\$0.00	\$232,200.19
Books and Other	\$0.00	\$0.00	\$0.00	\$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	\$1,680,630.95	\$46,376.69	\$4,192.51	\$1,722,815.13
Buildings	\$136,751.44	\$4,332.85	\$5,337.34	\$135,746.95
Improvements Other Than Buildings	\$66,229.13	\$4,828.18	\$6,255.00	\$64,802.31
Machinery, Equipment, and Vehicles	\$170,395.62	\$11,381.42	\$0.00	\$181,777.04
Books and Other	\$0.00	\$0.00	\$0.00	\$0.00

Indiana State Board of Accounts - 2022



13

AFR – Capital Assets / Accumulated Depreciation

WATER - Non-Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Land	\$29,237.29	\$0.00	\$100.00	\$29,137.29
Construction in Progress	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Depreciable Assets	\$0.00	\$0.00	\$0.00	\$0.00

WATER - Depreciable Assets

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	\$2,115,274.64	\$0.00	\$0.00	\$2,115,274.64
Buildings	\$0.00	\$0.00	\$0.00	\$0.00
Improvements Other Than Buildings	\$2,625,887.17	\$0.00	\$0.00	\$2,625,887.17
Machinery, Equipment, and Vehicles	\$34,617.15	\$0.00	\$0.00	\$34,617.15
Books and Other	\$0.00	\$0.00	\$0.00	\$0.00

WATER - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	\$685,054.85	\$74,941.85	\$0.00	\$659,996.70
Buildings	\$0.00	\$0.00	\$0.00	\$0.00
Improvements Other Than Buildings	\$264,183.86	\$114,442.86	\$0.00	\$378,626.72
Machinery, Equipment, and Vehicles	\$12,756.36	\$1,991.80	\$0.00	\$14,748.16
Books and Other	\$0.00	\$0.00	\$0.00	\$0.00

Indiana State Board of Accounts - 2022



14

AFR – Capital Assets / Accum Depreciation Example

- Purchased a truck on 11/2/2017 for \$60,000
- Truck is correctly shown in capital assets at historical cost (\$60,000)
- Straight-line depreciation
- Estimated useful life determined to be 7 years for vehicles
- Local policy is not to depreciate in the year of acquisition

Depreciation:
\$60,000 cost divided by 7 years = \$8,571.43/year

Accumulated Depreciation at 1/1/21:

Year 1	2018	\$ 8,571.43
Year 2	2019	\$ 8,571.43
Year 3	2020	\$ 8,571.43

\$25,714.29

Governmental Activities - Accumulated Depreciation

Government or Enterprise	Beginning Balance as of January 1, 2021	Additions	Reductions	Ending Balance as of December 31, 2021
Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00
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	\$25,714.29	\$8,571.43	\$0.00	\$34,285.72



AFR – Advertising

8. Do I still need to advertise certain financial data? If so, what needs to be advertised and when?

For your convenience, the Annual Report Outputs menu within the system includes the reports that must be advertised. They are designed specifically for advertising purposes. These reports eliminate unnecessary formatting and blank lines since advertising should use the smallest type of print possible and a minimum of space to affect a cost savings.

IC codes that address advertising requirements are located as follows:

1. Townships should see IC 36-6-4-13.
2. All other local units should see IC 5-3-1. Some items to note are: IC 5-3-1-4(a) and IC 5-3-1-4(c) specifies the number of newspapers required to publish, IC 5-3-1-3(a) specifies cities and towns publish 60 days after the end of the calendar year and IC 5-3-1-3(f) specifies to only publish one time. IC 5-3-1-3.5 specifies libraries and special districts must publish 60 days after the end of the calendar year, if they have a budget of at least \$300,000 and the power to levy taxes.

<https://gateway.ifonline.org/userguides/AFRguide>

System Functions

Upload Files	Uploading is an option for those government units with vendors and who choose to populate a portion of their report by uploading files.
Annual Report Outputs	Reports may be viewed as PDFs or Excel spreadsheets.

Advertising Outputs - Only reports listed below need to be advertised.	
Cash & Investment Combined	Version of the statement for advertising purposes



AFR – Advertising

Question 9: Do I need to submit proof of advertising to SBOA or enter the proof somewhere within Gateway?

Answer: No. The proof of advertising only needs to be maintained on file at your office.

Question 10: The Annual Financial Report that was advertised has errors. Do I need to re-advertise after I correct the errors on Gateway?

Answer: You will need to review IC 5-3-1-2.3 and determine if the report as advertised would be misleading to a reasonable person. If so, the you should re-advertise.

<https://gateway.ifionline.org/userguides/AFRguide>



Indiana State Board of Accounts - 2022

<https://clipart.world/newspaper-clipart/reading-newspaper-clipart-transparent-1>

17

AFR Grant Info – CARES & ARPA

Local Project Name	Federal Program Title / Project Name	Federal Agency	Pass Through Agency	Assistance Listing Number	Award Name	Award Number	Grant Type
CARES	Coronavirus Relief Fund	US Treasury	Indiana Finance Authority	21.019	CARES CRF	CY 2021	Reimbursement
ARP	Coronavirus State & Local Fiscal Recovery	US Treasury	Indiana Finance Authority	21.027	ARPA	CY 2021	Advance

The other columns in the "Grants" section will be amounts from your local records/ledger.



Indiana State Board of Accounts - 2022

18

ARPA Final Rule

*Monthly Meeting with Cities and Towns
February 2022*

19



Effective Dates

- The Final Rule takes effect on April 1, 2022.
- The Interim Final Rule remains in effect until April 1, 2022.
- No audit exception to uses permitted by the Final Rule, even if those disbursements were incurred prior to April 1, 2022.
- Funds may be used for costs incurred on or after March 3, 2021.
- Funds may be used to cover costs incurred or obligated by December 31, 2024 and expended by December 31, 2026.

20



American Rescue Plan Act
State and Local Fiscal Recovery Fund
 Section 603

Replace Lost Public Sector Revenue

Support the COVID-19 Public Health and Economic Response

Premium Pay for eligible workers performing essential work

Investments in water, sewer, and broadband infrastructure

21

Government
 Services and
 Revenue
 Replacement

Recipients may use funds up to the amount of revenue loss for government services; generally, services traditionally provided by recipient governments are government services, unless Treasury has stated otherwise.

22

What is a Government Service?

Government Services Examples

- Maintenance or funding of infrastructure, including roads
- Modernization of Cybersecurity
- Health Services
- Environmental Remediation
- School or Educational Services
- Police, Fire, and other Public Safety Services

Presumption: As long as not prohibited and generally provided by the government—it could be included

23

Government Services and Revenue Replacement

Calculating Revenue Loss

Two Options:

- 1) \$10M Standard Allowance (NEW!)
- 2) Treasury Calculation

24

Government Services and Revenue Replacement

Restrictions of Use

- Offset a Reduction in Net Tax Revenue
- Deposits into Pension funds
- Other General Restrictions
 - No Debt Service or replenishing financial reserves (ie: rainy day funds)
 - No satisfaction of settlements and judgments
 - No project that conflicts or contravenes the purpose of ARP (Conflicts of Interest)
 - Other laws may also apply (Uniform Guidance)

25

Government Services and Revenue Replacement

Remember for your audit:

- Selection Method of Revenue Loss
- Use is a Government Service
 - Unless otherwise prohibited

26

Support the COVID-19 Public Health and Economic Response

Support the COVID-19 public health and economic response by addressing COVID-19 and its impact on public health as well as addressing economic harms to households, small businesses, nonprofits, impacted industries, and the public sector.

27

Support the COVID-19 Public Health and Economic Response

Public Health

- Mitigation and Prevention
- Medical Expenses
- Behavioral Healthcare
- Responding to Violence

Economic Response

- Organized by Type of Beneficiary (households, business, nonprofits)
- Presumption some populations were more affected than others
 - Broader use of funds for those populations disproportionately impacted
- Others clearly consistent with the final rule
 - Other populations or groups or other programs to respond to the impacts

28

Support the COVID-19 Public Health and Economic Response

Remember the following for your audit

- Appropriate Determination of use
 - Treasury Final Rule enumerated uses or
 - Program created and designed to respond to the public health or economic impact Determinations documented to show how use responds to the pandemic
- Corresponding Documentation for Determination and Disbursement
 - Ordinance or Resolution
 - Contracts/Grant Agreements
- Appropriate Accounting Procedures
 - State Examiner Directive 2021-1
 - Uniform Compliance Guidelines

29

Premium Pay for eligible workers performing essential work

To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the . . . government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work

30

Premium Pay for eligible workers performing essential work

Determination of Premium Pay to Eligible Workers

- 1) Identify an “eligible worker”
- 2) Verify the eligible worker performs “essential work”
- 3) Confirm that the premium pay “responds to” workers performing essential work during the COVID-19 public health emergency

31

Administering Premium Pay

General Parameters

- May be awarded in lump sums or installments
- May be awarded to hourly, part-time, or salaried or non-hourly workers
- Must be in addition to wages already received and may be paid retrospectively.
- Cannot be used to reimburse unit for premium pay already received by the worker.
- May not be paid to volunteers

32

Premium Pay – Elected Officials

Final Rule Update: Elected Officials

- Acceptance of Grant Agreement
- Elected Officials are not Eligible for Premium Pay
- Accepting Premium Pay creates a conflict of interest for an elected official under 2 CFR 200.318
- Elected Officials cannot also steer funds to projects in which they have a financial interest
- Unless Treasury states otherwise, this would not be an appropriate use of SLFRF

33

Water, Sewer, Broadband Infrastructure

Water & Sewer Uses

- 1) State Revolving Fund Projects
 - Projects that are eligible for Clean Water State Revolving Fund (CWSRF)
 - Projects Eligible under EPA's Drinking Water State Revolving Fund Expands the types of eligible water and sewer projects (DWSRF)
- 2) Additional Eligible Projects (NEW!)
 - Stormwater infrastructure
 - Residential wells
 - Lead remediation
 - Rehabilitation of dams and reservoirs
 - Etc: see lists in Final Rule

34

Water, Sewer, Broadband Infrastructure

Broadband Infrastructure Investments

- 1) Identify Eligible Area for Investment
- 2) Design Project to meet technical standards
- 3) Require enrollment in a low-income subsidy program

Includes: Cybersecurity Projects

35

Don't Forget

General Reminders

- Prohibitions on Use
- Determinations documented appropriately (ordinances, resolutions, etc.)
- Disbursements sufficient documentation (contracts, grants, payroll records, etc.)
- Internal Controls
- Treasury Reporting Requirements

36

SBOA Updates



37

LIT Certified Shares

Memorandum – *coming soon!*

Situation: LIT Certified Shares have been deposited into funds other than the General Fund, e.g. Rainy Day, MVH, Utility, Park, Cumulative Funds

Our audit position has not changed:

LIT Certified Shares must be deposited into the General Fund.

This memorandum will not affect your 2022 distributions.

38

Training Opportunities

- ILMCT Institute and Academy: March 13-17, 2022
- SBOA Monthly Meeting: April 7, 2022
- SBOA Resource Library - *coming soon!*
 - Look for a special training session on this new resource
- SBOA Directors of Audit Services have a new title:
 - **Directors of Government Technical Assistance and Compliance (GTAC)**

39



Contact Info



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40