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Debt Management

Purpose

Local units are required to report debt to the Indiana Department of Local Government Finance (DLGF) through the Gateway Debt Management tool, which consolidates multiple reporting requirements into one place (IC 5-1-18). Units must report debt within one month after it is issued. The information is made available publicly so that everyone can see how much local government debt has been issued, the cost of interest, the purpose of the debt, the sources of repayment and the outstanding balances. If a unit has no debt, they use Debt Management to report and certify that they have no outstanding debt each year. The DLGF cannot approve a budget or a levy for the repayment of a debt obligation that has not been reported in the Debt Management tool.

Units Reporting

More than 2,600 local government units, including schools, cities, towns, counties, townships, libraries, and special districts, must report debt using the Debt Management tool. Each year units must provide, through this tool, an affirmation statement that all outstanding debt has been reported correctly. This is very important, since units use the tool throughout the year to report new debt.

Data Collected

Full amortization schedules are provided for all existing debt, which provide information by date on the principal, interest and balances of each loan. Debt includes the following categories:

- Bond issuances
- Loans (excluding temporary loans payable from current revenues)
- Lease rentals of buildings and other permanent structures
- Equipment under a lease-to-own arrangement (excluding short-term leases of copiers and vehicles)
- Debts incurred by municipal utilities or redevelopment commissions are reported under the establishing county, city or town

Timeframe

The Debt Management tool became operational in 2012, at which time all local government units were required to enter all debts as specified by law (IC 5-1-18). After that, units acquiring new debt are required to enter that information in Debt Management no later than one month after the debt is incurred. Once a year, units are required to verify the accuracy and completeness of the debt information they have submitted in Gateway.

Understanding the Data

Debt comes in many different forms and is paid using many different sources of revenue. The reports on debt include a summary report (Total Debt by Unit) as well as a report that provides bond/lease details by name and

purpose of the debt and the sources of repayment. Users can also view the amortization schedule for each debt obligation.

Bond / Lease Report

- Debt name
- Status
- Type (bond or lease)
- Dates (of public hearing, approval, etc.)
- Petition / Remonstrance
- Security on the debt / Source of repayment
- Purpose and cost
- Dates of bids and construction start
- Amortization schedule

Total Debt by Unit (Summary)

- Year
- Principal
- Interest
- Lease payments
- Federal tax credit
- Total outstanding debt obligations

Debt Comparison (by unit type, i.e., counties, cities, towns, etc.)

- Unit name
- Principal outstanding
- Interest outstanding
- Lease payments outstanding
- Federal credits
- Current obligations
- Debt per capita (where applicable)

The information is entered (or uploaded) and submitted by the unit. However, some outstanding debts may not be currently reported. If you are viewing a unit’s report and question the information, please first contact the unit to discuss. The DLGF assumes no responsibility for errors or omissions in the debt report found on Gateway.

For more information

More details on the requirements for Debt Management can be found at www.in.gov/dlgf/9106.htm.

If you would like more information about the use of this report, please contact the Department of Local Government Finance at gateway@dlgf.in.gov or (317) 232-3777.