

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

WHITE OAK CONSERVANCY DISTRICT

PORTER COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**  
09/17/2015



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Cherie Vogel	01-01-11 to 12-31-15
Chairman of the Board	John Hack	01-01-11 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE WHITE OAK CONSERVANCY DISTRICT, PORTER COUNTY, INDIANA

We have examined the accompanying financial statements of the White Oak Conservancy District (District), for the period of January 1, 2011 to December 31, 2014. The financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District for the period of January 1, 2011 to December 31, 2014.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the period of January 1, 2011 to December 31, 2014, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

July 29, 2015

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## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the District.  
The financial statements and notes are presented as intended by the District.

WHITE OAK CONSERVANCY DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2011 and 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General Tax Fund	\$ 92,981	\$ 40,673	\$ 13,000	\$ 120,654	\$ 41,067	\$ 33,000	\$ 128,721
Wastewater (Sewer) Operating Fund	326,369	211,179	205,425	332,123	170,664	185,805	316,982
Water Operating Fund	<u>25,255</u>	<u>45,686</u>	<u>64,255</u>	<u>6,686</u>	<u>66,285</u>	<u>65,543</u>	<u>7,428</u>
Totals	<u>\$ 444,605</u>	<u>\$ 297,538</u>	<u>\$ 282,680</u>	<u>\$ 459,463</u>	<u>\$ 278,016</u>	<u>\$ 284,348</u>	<u>\$ 453,131</u>

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



WHITE OAK CONSERVANCY DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES-  
REGULATORY BASIS  
For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
General Tax Fund	\$ 128,721	\$ 44,884	\$ 43,108	\$ 130,497	\$ 43,451	\$ 2,120	\$ 171,828
Wastewater (Sewer) Operating Fund	286,982	193,811	298,337	182,456	179,416	251,932	109,940
Water Operating Fund	<u>37,428</u>	<u>75,680</u>	<u>64,743</u>	<u>48,365</u>	<u>64,070</u>	<u>64,943</u>	<u>47,492</u>
Totals	<u>\$ 453,131</u>	<u>\$ 314,375</u>	<u>\$ 406,188</u>	<u>\$ 361,318</u>	<u>\$ 286,937</u>	<u>\$ 318,995</u>	<u>\$ 329,260</u>

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

WHITE OAK CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District.

**B. Basis of Accounting**

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

**C. Cash and Investments**

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

**D. Receipts**

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the District.

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

**E. Disbursements**

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

WHITE OAK CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The District may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

WHITE OAK CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 3. *Property Taxes***

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. *Deposits and Investments***

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. *Risk Management***

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

#### OTHER INFORMATION - UNAUDITED

The District's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the District which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the District. It is presented as intended by the District.

WHITE OAK CONSERVANCY DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2011

	General Tax Fund	Wastewater (Sewer) Operating Fund	Water Operating Fund	Totals
Cash and investments - beginning	\$ 92,981	\$ 326,369	\$ 25,255	\$ 444,605
Receipts:				
Taxes	40,673	-	-	40,673
Utility fees	-	203,192	32,686	235,878
Other receipts	-	7,987	13,000	20,987
Total receipts	40,673	211,179	45,686	297,538
Disbursements:				
Personal services	-	10,092	-	10,092
Other services and charges	-	3,743	-	3,743
Debt service - principal and interest	-	-	64,255	64,255
Utility operating expenses	-	191,590	-	191,590
Other disbursements	13,000	-	-	13,000
Total disbursements	13,000	205,425	64,255	282,680
Excess (deficiency) of receipts over disbursements	27,673	5,754	(18,569)	14,858
Cash and investments - ending	\$ 120,654	\$ 332,123	\$ 6,686	\$ 459,463

WHITE OAK CONSERVANCY DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012

	General Tax Fund	Wastewater (Sewer) Operating Fund	Water Operating Fund	Totals
Cash and investments - beginning	\$ 120,654	\$ 332,123	\$ 6,686	\$ 459,463
Receipts:				
Taxes	41,067	-	-	41,067
Utility fees	-	169,438	33,285	202,723
Other receipts	-	1,226	33,000	34,226
Total receipts	<u>41,067</u>	<u>170,664</u>	<u>66,285</u>	<u>278,016</u>
Disbursements:				
Personal services	-	12,531	-	12,531
Other services and charges	-	3,936	-	3,936
Debt service - principal and interest	-	-	65,543	65,543
Utility operating expenses	-	169,338	-	169,338
Other disbursements	33,000	-	-	33,000
Total disbursements	<u>33,000</u>	<u>185,805</u>	<u>65,543</u>	<u>284,348</u>
Excess (deficiency) of receipts over disbursements	<u>8,067</u>	<u>(15,141)</u>	<u>742</u>	<u>(6,332)</u>
Cash and investments - ending	<u>\$ 128,721</u>	<u>\$ 316,982</u>	<u>\$ 7,428</u>	<u>\$ 453,131</u>

WHITE OAK CONSERVANCY DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	General Tax Fund	Wastewater (Sewer) Operating Fund	Water Operating Fund	Totals
Cash and investments - beginning	\$ 128,721	\$ 286,982	\$ 37,428	\$ 453,131
Receipts:				
Taxes	43,384	-	-	43,384
Utility fees	-	193,453	33,680	227,133
Other receipts	1,500	358	42,000	43,858
Total receipts	44,884	193,811	75,680	314,375
Disbursements:				
Personal services	1,108	11,118	-	12,226
Other services and charges	-	4,004	-	4,004
Debt service - principal and interest	-	-	64,743	64,743
Utility operating expenses	-	283,215	-	283,215
Other disbursements	42,000	-	-	42,000
Total disbursements	43,108	298,337	64,743	406,188
Excess (deficiency) of receipts over disbursements	1,776	(104,526)	10,937	(91,813)
Cash and investments - ending	\$ 130,497	\$ 182,456	\$ 48,365	\$ 361,318



WHITE OAK CONSERVANCY DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	General Tax Fund	Wastewater (Sewer) Operating Fund	Water Operating Fund	Totals
Cash and investments - beginning	\$ 130,497	\$ 182,456	\$ 48,365	\$ 361,318
Receipts:				
Taxes	43,404	-	-	43,404
Utility fees	-	179,257	34,070	213,327
Other receipts	<u>47</u>	<u>159</u>	<u>30,000</u>	<u>30,206</u>
Total receipts	<u>43,451</u>	<u>179,416</u>	<u>64,070</u>	<u>286,937</u>
Disbursements:				
Personal services	2,120	11,968	-	14,088
Other services and charges	-	4,184	-	4,184
Debt service - principal and interest	-	-	64,943	64,943
Utility operating expenses	-	205,780	-	205,780
Other disbursements	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total disbursements	<u>2,120</u>	<u>251,932</u>	<u>64,943</u>	<u>318,995</u>
Excess (deficiency) of receipts over disbursements	<u>41,331</u>	<u>(72,516)</u>	<u>(873)</u>	<u>(32,058)</u>
Cash and investments - ending	<u>\$ 171,828</u>	<u>\$ 109,940</u>	<u>\$ 47,492</u>	<u>\$ 329,260</u>

WHITE OAK CONSERVANCY DISTRICT  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 9,833	\$ 2,342
Governmental activities	<u>1,642</u>	<u>-</u>
Totals	<u><u>\$ 11,475</u></u>	<u><u>\$ 2,342</u></u>

WHITE OAK CONSERVANCY DISTRICT  
SCHEDULE OF LEASES AND DEBT  
December 31, 2014

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Water:			
Revenue bonds	Waterworks Revenue Bonds of 2002 Series A	\$ 816,000	\$ 51,720
Revenue bonds	Waterworks Revenue bonds of 2003	<u>217,000</u>	<u>13,223</u>
Totals		<u>\$ 1,033,000</u>	<u>\$ 64,943</u>

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WHITE OAK CONSERVANCY DISTRICT  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2014

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Wastewater:	
Improvements other than buildings	\$ 2,327,998
Machinery, equipment, and vehicles	<u>577</u>
Total Wastewater	<u>2,328,575</u>
Water:	
Improvements other than buildings	<u>2,321,168</u>
Total capital assets	<u><u>\$ 4,649,743</u></u>

#### OTHER REPORT

In addition to this report, other reports may have been issued for the District. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.