

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

LAKE ELIZA AREA CONSERVANCY DISTRICT

PORTER COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**  
11/13/2015



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Karen Giesler	01-01-11 to 12-31-15
President of the Board of Directors	John Rayson Steve Sandberg	01-01-11 to 12-31-13 01-01-14 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAKE ELIZA AREA CONSERVANCY DISTRICT,  
PORTER COUNTY, INDIANA

We have examined the accompanying financial statements of the Lake Eliza Area 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. The basis noted above is a different basis than that used in the prior period.


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.

INDEPENDENT ACCOUNTANT'S REPORT  
(Continued)

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.

Based upon information obtained during the examination of the financial statements, we believe that the Schedule of Capital Assets is materially misstated as presented in this report. As described in the preceding paragraph, the Schedule of Capital Assets presented in this report is for additional analysis and is not a required part of the financial statements nor has it been subjected to any auditing procedures and, accordingly, we express no opinion on it.

  
Paul D. Joyce, CPA  
State Examiner

August 20, 2015

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.

LAKE ELIZA AREA 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
Operating Fund	\$ 20,269	\$ 215,494	\$ 215,129	\$ 20,634	\$ 220,251	\$ 216,414	\$ 24,471
General	2,153	8,250	10,004	399	-	-	399
Maintenance	8,551	6,000	11,277	3,274	37,000	21,275	18,999
Improvement	59,398	22,501	1,333	80,566	-	550	80,016
Bond and Interest	15,013	93,062	92,506	15,569	70,135	45,384	40,320
Reserve	-	45,135	30,080	15,055	15,064	30,119	-
Reserve Savings	-	-	-	-	15,075	-	15,075
Capital Reserve	-	-	-	-	21,814	800	21,014
Totals	<u>\$ 105,384</u>	<u>\$ 390,442</u>	<u>\$ 360,329</u>	<u>\$ 135,497</u>	<u>\$ 379,339</u>	<u>\$ 314,542</u>	<u>\$ 200,294</u>

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

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LAKE ELIZA AREA 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
Operating Fund	\$ 24,471	\$ 167,334	\$ 165,731	\$ 26,074	\$ 160,819	\$ 165,249	\$ 21,644
General	399	-	-	399	-	-	399
Maintenance	18,999	38,500	53,764	3,735	34,000	35,266	2,469
Improvement	80,016	-	1,325	78,691	-	224	78,467
Bond and Interest	40,320	21,500	43,336	18,484	49,000	46,793	20,691
Reserve Savings	15,075	9	-	15,084	109	-	15,193
Capital Reserve	21,014	18,000	34,546	4,468	-	-	4,468
Totals	<u>\$ 200,294</u>	<u>\$ 245,343</u>	<u>\$ 298,702</u>	<u>\$ 146,935</u>	<u>\$ 243,928</u>	<u>\$ 247,532</u>	<u>\$ 143,331</u>

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

LAKE ELIZA AREA 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:

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:

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.

LAKE ELIZA AREA CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

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 prepared and approved at the local level.

**Note 3. 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.

LAKE ELIZA AREA CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 4. 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; 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.

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

	Operating Fund	General	Maintenance	Improvement	Bond and Interest	Reserve	Reserve Savings	Capital Reserve	Totals
Cash and investments - beginning	\$ 20,269	\$ 2,153	\$ 8,551	\$ 59,398	\$ 15,013	\$ -	\$ -	\$ -	\$ 105,384
Receipts:									
Utility fees	155,175	-	-	-	-	-	-	-	155,175
Other receipts	60,319	8,250	6,000	22,501	93,062	45,135	-	-	235,267
Total receipts	215,494	8,250	6,000	22,501	93,062	45,135	-	-	390,442
Disbursements:									
Personal services	16,133	-	-	-	-	-	-	-	16,133
Other services and charges	3,694	-	-	-	-	-	-	-	3,694
Debt service - principal and interest	-	-	-	-	47,431	-	-	-	47,431
Utility operating expenses	48,395	7,754	6,277	1,333	-	-	-	-	63,759
Other disbursements	146,907	2,250	5,000	-	45,075	30,080	-	-	229,312
Total disbursements	215,129	10,004	11,277	1,333	92,506	30,080	-	-	360,329
Excess (deficiency) of receipts over disbursements	365	(1,754)	(5,277)	21,168	556	15,055	-	-	30,113
Cash and investments - ending	\$ 20,634	\$ 399	\$ 3,274	\$ 80,566	\$ 15,569	\$ 15,055	\$ -	\$ -	\$ 135,497

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

	<u>Operating Fund</u>	<u>General</u>	<u>Maintenance</u>	<u>Improvement</u>	<u>Bond and Interest</u>	<u>Reserve</u>	<u>Reserve Savings</u>	<u>Capital Reserve</u>	<u>Totals</u>
Cash and investments - beginning	\$ 20,634	\$ 399	\$ 3,274	\$ 80,566	\$ 15,569	\$ 15,055	\$ -	\$ -	\$ 135,497
Receipts:									
Utility fees	186,949	-	-	-	-	-	-	-	186,949
Other receipts	33,302	-	37,000	-	70,135	15,064	15,075	21,814	192,390
Total receipts	220,251	-	37,000	-	70,135	15,064	15,075	21,814	379,339
Disbursements:									
Personal services	22,330	-	-	-	-	-	-	-	22,330
Other services and charges	3,749	-	-	-	-	-	-	-	3,749
Debt service - principal and interest	-	-	-	-	45,384	-	-	-	45,384
Utility operating expenses	63,951	-	21,275	550	-	-	-	800	86,576
Other disbursements	126,384	-	-	-	-	30,119	-	-	156,503
Total disbursements	216,414	-	21,275	550	45,384	30,119	-	800	314,542
Excess (deficiency) of receipts over disbursements	3,837	-	15,725	(550)	24,751	(15,055)	15,075	21,014	64,797
Cash and investments - ending	\$ 24,471	\$ 399	\$ 18,999	\$ 80,016	\$ 40,320	\$ -	\$ 15,075	\$ 21,014	\$ 200,294



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

	<u>Operating Fund</u>	<u>General</u>	<u>Maintenance</u>	<u>Improvement</u>	<u>Bond and Interest</u>	<u>Reserve Savings</u>	<u>Capital Reserve</u>	<u>Totals</u>
Cash and investments - beginning	\$ 24,471	\$ 399	\$ 18,999	\$ 80,016	\$ 40,320	\$ 15,075	\$ 21,014	\$ 200,294
Receipts:								
Utility fees	167,334	-	-	-	-	-	-	167,334
Other receipts	-	-	38,500	-	21,500	9	18,000	78,009
Total receipts	167,334	-	38,500	-	21,500	9	18,000	245,343
Disbursements:								
Personal services	27,044	-	-	-	-	-	-	27,044
Other services and charges	3,939	-	-	-	-	-	-	3,939
Debt service - principal and interest	-	-	-	-	43,336	-	-	43,336
Capital outlay	-	-	-	-	-	-	11,445	11,445
Utility operating expenses	53,867	-	53,764	1,325	-	-	23,101	132,057
Other disbursements	80,881	-	-	-	-	-	-	80,881
Total disbursements	165,731	-	53,764	1,325	43,336	-	34,546	298,702
Excess (deficiency) of receipts over disbursements	1,603	-	(15,264)	(1,325)	(21,836)	9	(16,546)	(53,359)
Cash and investments - ending	\$ 26,074	\$ 399	\$ 3,735	\$ 78,691	\$ 18,484	\$ 15,084	\$ 4,468	\$ 146,935

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

	<u>Operating Fund</u>	<u>General</u>	<u>Maintenance</u>	<u>Improvement</u>	<u>Bond and Interest</u>	<u>Reserve Savings</u>	<u>Capital Reserve</u>	<u>Totals</u>
Cash and investments - beginning	\$ 26,074	\$ 399	\$ 3,735	\$ 78,691	\$ 18,484	\$ 15,084	\$ 4,468	\$ 146,935
Receipts:								
Utility fees	156,004	-	-	-	-	-	-	156,004
Other receipts	4,815	-	34,000	-	49,000	109	-	87,924
Total receipts	160,819	-	34,000	-	49,000	109	-	243,928
Disbursements:								
Personal services	24,597	-	-	-	-	-	-	24,597
Other services and charges	4,034	-	594	-	-	-	-	4,628
Debt service - principal and interest	-	-	-	-	46,143	-	-	46,143
Utility operating expenses	53,518	-	34,672	224	650	-	-	89,064
Other disbursements	83,100	-	-	-	-	-	-	83,100
Total disbursements	165,249	-	35,266	224	46,793	-	-	247,532
Excess (deficiency) of receipts over disbursements	(4,430)	-	(1,266)	(224)	2,207	109	-	(3,604)
Cash and investments - ending	\$ 21,644	\$ 399	\$ 2,469	\$ 78,467	\$ 20,691	\$ 15,193	\$ 4,468	\$ 143,331

LAKE ELIZA AREA CONSERVANCY DISTRICT  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Lake Eliza Area Conservancy District	<u>\$ 2,567</u>	<u>\$ 5,927</u>

LAKE ELIZA AREA 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
General obligation bonds	Install infrastructure	<u>\$ 85,000</u>	<u>\$ 42,486</u>

LAKE ELIZA AREA 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.

	<u>Ending Balance</u>
Land	\$ 12,000
Improvements other than buildings	<u>2,946,176</u>
Total capital assets	<u><u>\$ 2,958,176</u></u>

#### OTHER REPORTS

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/>.