

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

JE-TO LAKE CONSERVANCY DISTRICT

HENDRICKS COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
06/03/2016



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	6-7
Notes to Financial Statements.....	8-10
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	12-15
Schedule of Leases and Debt .....	17
Other Reports.....	18

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairperson of the Board	Mary Dugan	01-01-12 to 12-31-16
Financial Clerk	Cathy Rayball Mary Boling	01-01-12 to 12-31-13 01-01-14 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE JE-TO LAKE CONSERVANCY DISTRICT, HENDRICKS COUNTY, INDIANA

We have examined the accompanying financial statements of the Je-To Lake Conservancy District (District), for the period of January 1, 2012 to December 31, 2015. 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, 2012 to December 31, 2015.

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, 2012 to December 31, 2015, 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 and Schedule of Leases and Debt, 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

March 17, 2016

(This page intentionally left blank.)

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.

JE-TO LAKE CONSERVANCY DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ -	\$ 68,092	\$ 67,985	\$ 107	\$ 74,656	\$ 42,376	\$ 32,387

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

JE-TO LAKE CONSERVANCY DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
General	\$ 32,387	\$ 22,204	\$ 47,742	\$ 6,849	\$ 48,305	\$ 28,243	\$ 26,911
Asset Management Reserve	-	4,500	-	4,500	-	4,500	-
Debt Service Reserve	-	2,160	-	2,160	2,160	-	4,320
Exceptional Benefits Tax	-	-	-	-	114,613	24,012	90,601
Pre-Assessment Interest	-	6,674	-	6,674	-	6,674	-
Cumulative Maintenance	-	13,109	-	13,109	14,529	27,000	638
CD 2014 Bond Construction	-	359,054	349,142	9,912	64,010	57,157	16,765
Debt Service Sinking	-	-	-	-	13,234	11,230	2,004
Totals	<u>\$ 32,387</u>	<u>\$ 407,701</u>	<u>\$ 396,884</u>	<u>\$ 43,204</u>	<u>\$ 256,851</u>	<u>\$ 158,816</u>	<u>\$ 141,239</u>

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

JE-TO LAKE 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 the extraordinary benefits tax and special benefits tax.

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:

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

JE-TO LAKE 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.

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.

**Note 3. Exceptional Benefits and Special Benefits Assessment**

Exceptional benefit and special benefit assessments are levied on affected properties within the District. Exceptional benefit and special benefit assessments levied are collected by the Hendricks County Treasurer and are distributed to the District in June and December. Assessments may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

JE-TO LAKE CONSERVANCY DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**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.

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

	General	Totals
Cash and investments - beginning	\$ -	\$ -
Receipts:		
Other receipts	68,092	68,092
Total receipts	68,092	68,092
Disbursements:		
Supplies	72	72
Other services and charges	44,493	44,493
Other disbursements	23,420	23,420
Total disbursements	67,985	67,985
Excess (deficiency) of receipts over disbursements	107	107
Cash and investments - ending	\$ 107	\$ 107

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

	General	Totals
Cash and investments - beginning	\$ 107	\$ 107
Receipts:		
Taxes	39,127	39,127
Other receipts	35,529	35,529
Total receipts	74,656	74,656
Disbursements:		
Supplies	46	46
Other services and charges	35,353	35,353
Debt service - principal and interest	5,196	5,196
Other disbursements	1,781	1,781
Total disbursements	42,376	42,376
Excess (deficiency) of receipts over disbursements	32,280	32,280
Cash and investments - ending	\$ 32,387	\$ 32,387

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

	General	Asset Management Reserve	Debt Service Reserve	Exceptional Benefits Tax	Pre-Assessment Interest	Cumulative Maintenance	2014 Bond Construction	Debt Service Sinking	Totals
Cash and investments - beginning	\$ 32,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,387
Receipts:									
Taxes	22,192	-	-	-	-	-	-	-	22,192
Other receipts	12	4,500	2,160	-	6,674	13,109	359,054	-	385,509
Total receipts	22,204	4,500	2,160	-	6,674	13,109	359,054	-	407,701
Disbursements:									
Supplies	567	-	-	-	-	-	-	-	567
Other services and charges	18,355	-	-	-	-	-	103,548	-	121,903
Debt service - principal and interest	2,333	-	-	-	-	-	102,362	-	104,695
Capital outlay	-	-	-	-	-	-	143,232	-	143,232
Other disbursements	26,487	-	-	-	-	-	-	-	26,487
Total disbursements	47,742	-	-	-	-	-	349,142	-	396,884
Excess (deficiency) of receipts over disbursements	(25,538)	4,500	2,160	-	6,674	13,109	9,912	-	10,817
Cash and investments - ending	\$ 6,849	\$ 4,500	\$ 2,160	\$ -	\$ 6,674	\$ 13,109	\$ 9,912	\$ -	\$ 43,204

JE-TO LAKE CONSERVANCY DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	General	Asset Management Reserve	Debt Service Reserve	Exceptional Benefits Tax	Pre-Assessment Interest	Cumulative Maintenance	2014 Bond Construction	Debt Service Sinking	Totals
Cash and investments - beginning	\$ 6,849	\$ 4,500	\$ 2,160	\$ -	\$ 6,674	\$ 13,109	\$ 9,912	\$ -	\$ 43,204
Receipts:									
Taxes	48,263	-	-	114,613	-	-	-	-	162,876
Other receipts	42	-	2,160	-	-	14,529	64,010	13,234	93,975
Total receipts	48,305	-	2,160	114,613	-	14,529	64,010	13,234	256,851
Disbursements:									
Supplies	199	-	-	-	-	-	-	-	199
Other services and charges	15,884	-	-	17,452	-	-	19,639	-	52,975
Debt service - principal and interest	-	-	-	-	-	-	-	11,230	11,230
Capital outlay	-	-	-	-	-	-	37,518	-	37,518
Other disbursements	12,160	4,500	-	6,560	6,674	27,000	-	-	56,894
Total disbursements	28,243	4,500	-	24,012	6,674	27,000	57,157	11,230	158,816
Excess (deficiency) of receipts over disbursements	20,062	(4,500)	2,160	90,601	(6,674)	(12,471)	6,853	2,004	98,035
Cash and investments - ending	\$ 26,911	\$ -	\$ 4,320	\$ 90,601	\$ -	\$ 638	\$ 16,765	\$ 2,004	\$ 141,239

(This page intentionally left blank.)

JE-TO LAKE CONSERVANCY DISTRICT  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2015

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds	Rural Development Bonds of 2014	\$ 436,000	\$ 15,225
Totals		<u>\$ 436,000</u>	<u>\$ 15,225</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/>.