

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

LATTAS CREEK CONSERVANCY DISTRICT

GREENE COUNTY, INDIANA

January 1, 2011 to December 31, 2016



FILED
04/20/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Janice Corwin Marilyn Bonham	01-01-11 to 04-03-14 04-04-14 to 12-31-17
Chairman of the Conservancy District	Wally Flynn Steve White	01-01-11 to 12-31-16 01-01-17 to 12-31-17
President of the Board of County Commissioners	Steve Lindsey Rick Graves Nathan L. Abrams Ed Michael	01-01-11 to 12-31-12 01-01-13 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-17
President of the County Council	John Wilkes W. Edward Cullison Jerry R. Frye	01-01-11 to 12-31-11 01-01-12 to 12-31-14 01-01-15 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LATTAS CREEK CONSERVANCY DISTRICT, GREENE COUNTY, INDIANA

We have examined the accompanying financial statements of the Lattas Creek Conservancy District (District), for the period of January 1, 2011 to December 31, 2016. The District's management is responsible for the financial statements. Our responsibility is to express an opinion 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 to the financial statements, 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, 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, 2016.

In our opinion, the financial statements referred to above present, in all material respects, the financial position and results of operations of the District for the period of January 1, 2011 to December 31, 2016, based on the prescribed 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

April 10, 2017

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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.

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LATTAS CREEK 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 Fund	\$ 92,123	\$ 31,367	\$ 44,576	\$ 78,914	\$ 47,157	\$ 69,359	\$ 56,712
Rainy Day	69,631	976	-	70,607	272	-	70,879
Cumulative Maintenance	18,417	248	-	18,665	-	-	18,665
Note Payment Sinking	<u>66,257</u>	<u>1,969</u>	<u>11,733</u>	<u>56,493</u>	<u>1,306</u>	<u>11,733</u>	<u>46,066</u>
Totals	<u>\$ 246,428</u>	<u>\$ 34,560</u>	<u>\$ 56,309</u>	<u>\$ 224,679</u>	<u>\$ 48,735</u>	<u>\$ 81,092</u>	<u>\$ 192,322</u>

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

LATTAS CREEK 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 Fund	\$ 56,712	\$ 94,601	\$ 71,308	\$ 80,005	\$ 55,575	\$ 51,472	\$ 84,108
Rainy Day	70,879	293	-	71,172	557	-	71,729
Cumulative Maintenance	18,665	-	-	18,665	183	-	18,848
Note Payment Sinking	46,066	3,350	12,503	36,913	1,230	16,733	21,410
Totals	<u>\$ 192,322</u>	<u>\$ 98,244</u>	<u>\$ 83,811</u>	<u>\$ 206,755</u>	<u>\$ 57,545</u>	<u>\$ 68,205</u>	<u>\$ 196,095</u>

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

LATTAS CREEK CONSERVANCY DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2015 and 2016

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15	Receipts	Disbursements	Cash and Investments 12-31-16
General Fund	\$ 84,108	\$ 75,299	\$ 49,825	\$ 109,582	\$ 67,387	\$ 30,918	\$ 146,051
Rainy Day	71,729	259	-	71,988	666	-	72,654
Cumulative Maintenance	18,848	70	-	18,918	73	-	18,991
Note Payment Sinking	21,410	1,092	11,734	10,768	1,681	11,733	716
Totals	<u>\$ 196,095</u>	<u>\$ 76,720</u>	<u>\$ 61,559</u>	<u>\$ 211,256</u>	<u>\$ 69,807</u>	<u>\$ 42,651</u>	<u>\$ 238,412</u>

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

LATTAS CREEK 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. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.

Other receipts. Amounts received from various sources, including, but 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. Amounts disbursed 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.

LATTAS CREEK CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Supplies. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for 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.

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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.

LATTAS CREEK 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, the following: 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 - UNEXAMINED

The District's Annual Financial 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 District's Annual Financial Report 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.

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

	General Fund	Rainy Day	Cumulative Maintenance	Note Payment Sinking	Totals
Cash and investments - beginning	\$ 92,123	\$ 69,631	\$ 18,417	\$ 66,257	\$ 246,428
Receipts:					
Taxes	29,146	-	-	1,168	30,314
Other receipts	2,221	976	248	801	4,246
Total receipts	31,367	976	248	1,969	34,560
Disbursements:					
Personal services	14,489	-	-	-	14,489
Supplies	144	-	-	-	144
Other services and charges	29,401	-	-	-	29,401
Debt service - principal and interest	-	-	-	11,733	11,733
Other disbursements	542	-	-	-	542
Total disbursements	44,576	-	-	11,733	56,309
Excess (deficiency) of receipts over disbursements	(13,209)	976	248	(9,764)	(21,749)
Cash and investments - ending	\$ 78,914	\$ 70,607	\$ 18,665	\$ 56,493	\$ 224,679

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

	General Fund	Rainy Day	Cumulative Maintenance	Note Payment Sinking	Totals
Cash and investments - beginning	\$ 78,914	\$ 70,607	\$ 18,665	\$ 56,493	\$ 224,679
Receipts:					
Taxes	47,157	-	-	831	47,988
Other receipts	-	272	-	475	747
Total receipts	47,157	272	-	1,306	48,735
Disbursements:					
Personal services	14,844	-	-	-	14,844
Supplies	78	-	-	-	78
Other services and charges	54,437	-	-	-	54,437
Debt service - principal and interest	-	-	-	11,733	11,733
Total disbursements	69,359	-	-	11,733	81,092
Excess (deficiency) of receipts over disbursements	(22,202)	272	-	(10,427)	(32,357)
Cash and investments - ending	\$ 56,712	\$ 70,879	\$ 18,665	\$ 46,066	\$ 192,322

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

	General Fund	Rainy Day	Cumulative Maintenance	Note Payment Sinking	Totals
Cash and investments - beginning	\$ 56,712	\$ 70,879	\$ 18,665	\$ 46,066	\$ 192,322
Receipts:					
Taxes	91,545	-	-	2,492	94,037
Other receipts	3,056	293	-	858	4,207
Total receipts	94,601	293	-	3,350	98,244
Disbursements:					
Personal services	15,984	-	-	-	15,984
Supplies	1,612	-	-	-	1,612
Other services and charges	52,942	-	-	-	52,942
Debt service - principal and interest	-	-	-	11,733	11,733
Other disbursements	770	-	-	770	1,540
Total disbursements	71,308	-	-	12,503	83,811
Excess (deficiency) of receipts over disbursements	23,293	293	-	(9,153)	14,433
Cash and investments - ending	\$ 80,005	\$ 71,172	\$ 18,665	\$ 36,913	\$ 206,755

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

	General Fund	Rainy Day	Cumulative Maintenance	Note Payment Sinking	Totals
Cash and investments - beginning	\$ 80,005	\$ 71,172	\$ 18,665	\$ 36,913	\$ 206,755
Receipts:					
Taxes	55,441	-	-	867	56,308
Other receipts	134	557	183	363	1,237
Total receipts	55,575	557	183	1,230	57,545
Disbursements:					
Personal services	17,909	-	-	-	17,909
Supplies	158	-	-	-	158
Other services and charges	33,405	-	-	-	33,405
Debt service - principal and interest	-	-	-	16,733	16,733
Total disbursements	51,472	-	-	16,733	68,205
Excess (deficiency) of receipts over disbursements	4,103	557	183	(15,503)	(10,660)
Cash and investments - ending	\$ 84,108	\$ 71,729	\$ 18,848	\$ 21,410	\$ 196,095

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

	General Fund	Rainy Day	Cumulative Maintenance	Note Payment Sinking	Totals
Cash and investments - beginning	\$ 84,108	\$ 71,729	\$ 18,848	\$ 21,410	\$ 196,095
Receipts:					
Taxes	75,172	-	-	1,005	76,177
Other receipts	127	259	70	87	543
Total receipts	75,299	259	70	1,092	76,720
Disbursements:					
Personal services	12,688	-	-	-	12,688
Supplies	486	-	-	-	486
Other services and charges	36,651	-	-	-	36,651
Debt service - principal and interest	-	-	-	11,734	11,734
Total disbursements	49,825	-	-	11,734	61,559
Excess (deficiency) of receipts over disbursements	25,474	259	70	(10,642)	15,161
Cash and investments - ending	\$ 109,582	\$ 71,988	\$ 18,918	\$ 10,768	\$ 211,256

LATTAS CREEK CONSERVANCY DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

	General Fund	Rainy Day	Cumulative Maintenance	Note Payment Sinking	Totals
Cash and investments - beginning	\$ 109,582	\$ 71,988	\$ 18,918	\$ 10,768	\$ 211,256
Receipts:					
Taxes	67,254	-	-	1,643	68,897
Other receipts	133	666	73	38	910
Total receipts	67,387	666	73	1,681	69,807
Disbursements:					
Personal services	11,940	-	-	-	11,940
Supplies	182	-	-	-	182
Other services and charges	18,796	-	-	-	18,796
Debt service - principal and interest	-	-	-	11,733	11,733
Total disbursements	30,918	-	-	11,733	42,651
Excess (deficiency) of receipts over disbursements	36,469	666	73	(10,052)	27,156
Cash and investments - ending	\$ 146,051	\$ 72,654	\$ 18,991	\$ 716	\$ 238,412

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LATTAS CREEK CONSERVANCY DISTRICT
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	RD loan	\$ 5,545	\$ 5,554
Totals		<u>\$ 5,545</u>	<u>\$ 5,554</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/>.