

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT
WASHINGTON COUNTY, INDIANA
January 1, 2011 to December 31, 2016



FILED
12/11/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Darin Sweeney	01-01-11 to 12-31-17
President of the Board	Thomas Hackman	01-01-11 to 12-31-17



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TWIN RUSH CREEK WATERSHED CONSERVANCY
DISTRICT, WASHINGTON COUNTY, INDIANA

We have examined the accompanying financial statements of the Twin Rush Creek Watershed Conservancy District (District), for the period of January 1, 2011 to December 31, 2016. The District's management is responsible for the fair presentation of these financial statements in accordance with the prescribed basis of accounting described in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the financial statements. The nature, timing, and extent of the procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 described in the preceding paragraph, the financial statements for the period of January 1, 2011 to December 31, 2016, 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.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

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

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, CPA
State Examiner

October 25, 2017

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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TWIN RUSH CREEK WATERSHED 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	\$ 70,650	\$ 16,940	\$ 13,436	\$ 74,154	\$ 20,268	\$ 7,101	\$ 87,321
Cumulative Maintenance	<u>5,942</u>	<u>357</u>	<u>-</u>	<u>6,299</u>	<u>435</u>	<u>-</u>	<u>6,734</u>
Totals	<u>\$ 76,592</u>	<u>\$ 17,297</u>	<u>\$ 13,436</u>	<u>\$ 80,453</u>	<u>\$ 20,703</u>	<u>\$ 7,101</u>	<u>\$ 94,055</u>

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

TWIN RUSH CREEK WATERSHED 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	\$ 87,321	\$ 18,419	\$ 12,199	\$ 93,541	\$ 18,452	\$ 14,818	\$ 97,175
Cumulative Maintenance	6,734	462	-	7,196	7,760	-	14,956
Totals	<u>\$ 94,055</u>	<u>\$ 18,881</u>	<u>\$ 12,199</u>	<u>\$ 100,737</u>	<u>\$ 26,212</u>	<u>\$ 14,818</u>	<u>\$ 112,131</u>

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

TWIN RUSH CREEK WATERSHED 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	\$ 97,175	\$ 21,182	\$ 11,026	\$ 107,331	\$ 21,148	\$ 31,772	\$ 96,707
Cumulative Maintenance	<u>14,956</u>	<u>-</u>	<u>-</u>	<u>14,956</u>	<u>7,589</u>	<u>-</u>	<u>22,545</u>
Totals	<u>\$ 112,131</u>	<u>\$ 21,182</u>	<u>\$ 11,026</u>	<u>\$ 122,287</u>	<u>\$ 28,737</u>	<u>\$ 31,772</u>	<u>\$ 119,252</u>

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

TWIN RUSH CREEK WATERSHED 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 elected 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.

TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

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.

TWIN RUSH CREEK WATERSHED 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, 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 Reports 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 Reports 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.

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

	<u>General</u>	<u>Cumulative Maintenance</u>	<u>Totals</u>
Cash and investments - beginning	\$ 70,650	\$ 5,942	\$ 76,592
Receipts:			
Taxes	16,774	357	17,131
Other receipts	<u>166</u>	<u>-</u>	<u>166</u>
Total receipts	<u>16,940</u>	<u>357</u>	<u>17,297</u>
Disbursements:			
Personal services	600	-	600
Other services and charges	10,225	-	10,225
Debt service - principal and interest	<u>2,611</u>	<u>-</u>	<u>2,611</u>
Total disbursements	<u>13,436</u>	<u>-</u>	<u>13,436</u>
Excess of receipts over disbursements	<u>3,504</u>	<u>357</u>	<u>3,861</u>
Cash and investments - ending	<u>\$ 74,154</u>	<u>\$ 6,299</u>	<u>\$ 80,453</u>

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

	<u>General</u>	<u>Cumulative Maintenance</u>	<u>Totals</u>
Cash and investments - beginning	\$ 74,154	\$ 6,299	\$ 80,453
Receipts:			
Taxes	20,170	435	20,605
Other receipts	<u>98</u>	<u>-</u>	<u>98</u>
Total receipts	<u>20,268</u>	<u>435</u>	<u>20,703</u>
Disbursements:			
Personal services	650	-	650
Other services and charges	3,840	-	3,840
Debt service - principal and interest	<u>2,611</u>	<u>-</u>	<u>2,611</u>
Total disbursements	<u>7,101</u>	<u>-</u>	<u>7,101</u>
Excess of receipts over disbursements	<u>13,167</u>	<u>435</u>	<u>13,602</u>
Cash and investments - ending	<u>\$ 87,321</u>	<u>\$ 6,734</u>	<u>\$ 94,055</u>

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

	<u>General</u>	<u>Cumulative Maintenance</u>	<u>Totals</u>
Cash and investments - beginning	\$ 87,321	\$ 6,734	\$ 94,055
Receipts:			
Taxes	18,323	462	18,785
Other receipts	<u>96</u>	<u>-</u>	<u>96</u>
Total receipts	<u>18,419</u>	<u>462</u>	<u>18,881</u>
Disbursements:			
Personal services	950	-	950
Other services and charges	8,638	-	8,638
Debt service - principal and interest	<u>2,611</u>	<u>-</u>	<u>2,611</u>
Total disbursements	<u>12,199</u>	<u>-</u>	<u>12,199</u>
Excess of receipts over disbursements	<u>6,220</u>	<u>462</u>	<u>6,682</u>
Cash and investments - ending	<u>\$ 93,541</u>	<u>\$ 7,196</u>	<u>\$ 100,737</u>

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

	<u>General</u>	<u>Cumulative Maintenance</u>	<u>Totals</u>
Cash and investments - beginning	\$ 93,541	\$ 7,196	\$ 100,737
Receipts:			
Taxes	18,356	7,760	26,116
Other receipts	<u>96</u>	<u>-</u>	<u>96</u>
Total receipts	<u>18,452</u>	<u>7,760</u>	<u>26,212</u>
Disbursements:			
Personal services	850	-	850
Other services and charges	11,357	-	11,357
Debt service - principal and interest	<u>2,611</u>	<u>-</u>	<u>2,611</u>
Total disbursements	<u>14,818</u>	<u>-</u>	<u>14,818</u>
Excess of receipts over disbursements	<u>3,634</u>	<u>7,760</u>	<u>11,394</u>
Cash and investments - ending	<u>\$ 97,175</u>	<u>\$ 14,956</u>	<u>\$ 112,131</u>

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

	<u>General</u>	<u>Cumulative Maintenance</u>	<u>Totals</u>
Cash and investments - beginning	\$ 97,175	\$ 14,956	\$ 112,131
Receipts:			
Taxes	21,106	-	21,106
Other receipts	<u>76</u>	<u>-</u>	<u>76</u>
Total receipts	<u>21,182</u>	<u>-</u>	<u>21,182</u>
Disbursements:			
Personal services	600	-	600
Other services and charges	7,815	-	7,815
Debt service - principal and interest	<u>2,611</u>	<u>-</u>	<u>2,611</u>
Total disbursements	<u>11,026</u>	<u>-</u>	<u>11,026</u>
Excess of receipts over disbursements	<u>10,156</u>	<u>-</u>	<u>10,156</u>
Cash and investments - ending	<u>\$ 107,331</u>	<u>\$ 14,956</u>	<u>\$ 122,287</u>

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

	<u>General</u>	<u>Cumulative Maintenance</u>	<u>Totals</u>
Cash and investments - beginning	\$ 107,331	\$ 14,956	\$ 122,287
Receipts:			
Taxes	21,094	7,589	28,683
Other receipts	<u>54</u>	<u>-</u>	<u>54</u>
Total receipts	<u>21,148</u>	<u>7,589</u>	<u>28,737</u>
Disbursements:			
Personal services	1,050	-	1,050
Other services and charges	28,111	-	28,111
Debt service - principal and interest	<u>2,611</u>	<u>-</u>	<u>2,611</u>
Total disbursements	<u>31,772</u>	<u>-</u>	<u>31,772</u>
Excess (deficiency) of receipts over disbursements	<u>(10,624)</u>	<u>7,589</u>	<u>(3,035)</u>
Cash and investments - ending	<u>\$ 96,707</u>	<u>\$ 22,545</u>	<u>\$ 119,252</u>

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TWIN RUSH CREEK WATERSHED CONSERVANCY DISTRICT
 SCHEDULE OF LEASES AND DEBT
 December 31, 2016

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: Notes and loans payable	Repairs and Maintenance	\$ 8,575	\$ 2,611
Totals		<u>\$ 8,575</u>	<u>\$ 2,611</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/>.