

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
FULTON COUNTY, INDIANA
January 1, 2012 to December 31, 2016



FILED
01/23/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kenneth R. Hutchins	01-01-12 to 12-31-16
	Terry L. Baker	01-01-17 to 12-31-17
President of the Board	George Suter	01-01-12 to 12-31-14
	Carl Dittfield	01-01-15 to 12-31-16
	David Westcott	01-01-17 to 06-30-17
	Thomas A. Trent	07-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NYONA-SOUTH MUD LAKES CONSERVANCY
DISTRICT, FULTON COUNTY, INDIANA

We have examined the accompanying financial statements of the Nyona-South Mud Lakes Conservancy District (District), for the period of January 1, 2012 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, 2012 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, 2012 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, 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, CPA
State Examiner

December 7, 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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NYONA-SOUTH MUD LAKES 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
Money Market	\$ 200,521	\$ 126	\$ -	\$ 200,647	\$ 126	\$ -	\$ 200,773
Bond And Interest	36,964	74,401	73,751	37,614	75,635	75,029	38,220
Debt Service Reserve	42,291	7,463	-	49,754	7,463	-	57,217
Operating	42,336	258,301	251,184	49,453	266,896	272,295	44,054
Totals	\$ 322,112	\$ 340,291	\$ 324,935	\$ 337,468	\$ 350,120	\$ 347,324	\$ 340,264

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

NYONA-SOUTH MUD LAKES 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
Money Market	\$ 200,773	\$ 99	\$ 18,000	\$ 182,872	\$ 91	\$ -	\$ 182,963
Bond And Interest	38,220	75,782	76,220	37,782	74,866	75,345	37,303
Debt Service Reserve	57,217	7,463	-	64,680	7,464	-	72,144
Operating	44,054	291,271	314,029	21,296	265,638	275,517	11,417
Totals	\$ 340,264	\$ 374,615	\$ 408,249	\$ 306,630	\$ 348,059	\$ 350,862	\$ 303,827

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

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Money Market	\$ 182,963	\$ 92	\$ 24	\$ 183,031
Bond And Interest	37,303	43,279	74,468	6,114
Debt Service Reserve	72,144	2,487	-	74,631
Operating	<u>11,417</u>	<u>256,861</u>	<u>247,118</u>	<u>21,160</u>
Totals	<u>\$ 303,827</u>	<u>\$ 302,719</u>	<u>\$ 321,610</u>	<u>\$ 284,936</u>

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

NYONA-SOUTH MUD LAKES 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. Amounts received from charges for current services.

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.

NYONA-SOUTH MUD LAKES 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.

Utility operating expenses. Amounts disbursed for operating the utilities.

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. 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.

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3. 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.

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	Money Market	Bond And Interest	Debt Service Reserve	Operating	Totals
Cash and investments - beginning	\$ 200,521	\$ 36,964	\$ 42,291	\$ 42,336	\$ 322,112
Receipts:					
Utility fees	-	-	-	258,242	258,242
Other receipts	126	74,401	7,463	59	82,049
Total receipts	126	74,401	7,463	258,301	340,291
Disbursements:					
Personal services	-	-	-	70,962	70,962
Supplies	-	-	-	13,177	13,177
Other services and charges	-	-	-	85,181	85,181
Debt service - principal and interest	-	73,750	-	-	73,750
Other disbursements	-	1	-	81,864	81,865
Total disbursements	-	73,751	-	251,184	324,935
Excess (deficiency) of receipts over disbursements	126	650	7,463	7,117	15,356
Cash and investments - ending	<u>\$ 200,647</u>	<u>\$ 37,614</u>	<u>\$ 49,754</u>	<u>\$ 49,453</u>	<u>\$ 337,468</u>

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Money Market	Bond And Interest	Debt Service Reserve	Operating	Totals
Cash and investments - beginning	\$ 200,647	\$ 37,614	\$ 49,754	\$ 49,453	\$ 337,468
Receipts:					
Utility fees	-	-	-	257,830	257,830
Other receipts	126	75,635	7,463	9,066	92,290
Total receipts	126	75,635	7,463	266,896	350,120
Disbursements:					
Personal services	-	-	-	81,034	81,034
Supplies	-	-	-	11,111	11,111
Other services and charges	-	-	-	66,164	66,164
Debt service - principal and interest	-	75,028	-	-	75,028
Other disbursements	-	1	-	113,986	113,987
Total disbursements	-	75,029	-	272,295	347,324
Excess (deficiency) of receipts over disbursements	126	606	7,463	(5,399)	2,796
Cash and investments - ending	<u>\$ 200,773</u>	<u>\$ 38,220</u>	<u>\$ 57,217</u>	<u>\$ 44,054</u>	<u>\$ 340,264</u>

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Money Market	Bond And Interest	Debt Service Reserve	Operating	Totals
Cash and investments - beginning	\$ 200,773	\$ 38,220	\$ 57,217	\$ 44,054	\$ 340,264
Receipts:					
Utility fees	-	-	-	252,493	252,493
Other receipts	99	75,782	7,463	38,778	122,122
Total receipts	99	75,782	7,463	291,271	374,615
Disbursements:					
Personal services	-	-	-	85,916	85,916
Supplies	-	-	-	8,798	8,798
Other services and charges	-	-	-	78,500	78,500
Debt service - principal and interest	-	76,219	-	-	76,219
Other disbursements	18,000	1	-	140,815	158,816
Total disbursements	18,000	76,220	-	314,029	408,249
Excess (deficiency) of receipts over disbursements	(17,901)	(438)	7,463	(22,758)	(33,634)
Cash and investments - ending	<u>\$ 182,872</u>	<u>\$ 37,782</u>	<u>\$ 64,680</u>	<u>\$ 21,296</u>	<u>\$ 306,630</u>

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	Money Market	Bond And Interest	Debt Service Reserve	Operating	Totals
Cash and investments - beginning	\$ 182,872	\$ 37,782	\$ 64,680	\$ 21,296	\$ 306,630
Receipts:					
Utility fees	-	-	-	249,331	249,331
Other receipts	91	74,866	7,464	16,307	98,728
Total receipts	91	74,866	7,464	265,638	348,059
Disbursements:					
Personal services	-	-	-	70,405	70,405
Other services and charges	-	-	-	11,761	11,761
Debt service - principal and interest	-	75,344	-	-	75,344
Utility operating expenses	-	-	-	75,758	75,758
Other disbursements	-	1	-	117,593	117,594
Total disbursements	-	75,345	-	275,517	350,862
Excess (deficiency) of receipts over disbursements	91	(479)	7,464	(9,879)	(2,803)
Cash and investments - ending	<u>\$ 182,963</u>	<u>\$ 37,303</u>	<u>\$ 72,144</u>	<u>\$ 11,417</u>	<u>\$ 303,827</u>

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Money Market	Bond And Interest	Debt Service Reserve	Operating	Totals
Cash and investments - beginning	\$ 182,963	\$ 37,303	\$ 72,144	\$ 11,417	\$ 303,827
Receipts:					
Utility fees	-	-	-	239,493	239,493
Other receipts	92	43,279	2,487	17,368	63,226
Total receipts	92	43,279	2,487	256,861	302,719
Disbursements:					
Personal services	-	-	-	93,838	93,838
Other services and charges	24	-	-	20,394	20,418
Debt service - principal and interest	-	74,468	-	-	74,468
Utility operating expenses	-	-	-	87,120	87,120
Other disbursements	-	-	-	45,766	45,766
Total disbursements	24	74,468	-	247,118	321,610
Excess (deficiency) of receipts over disbursements	68	(31,189)	2,487	9,743	(18,891)
Cash and investments - ending	<u>\$ 183,031</u>	<u>\$ 6,114</u>	<u>\$ 74,631</u>	<u>\$ 21,160</u>	<u>\$ 284,936</u>

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Sewage Works	<u>\$ -</u>	<u>\$ 10,224</u>

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
SCHEDULE OF LEASES AND DEBT
December 31, 2016

<u>Type</u>	<u>Description of Debt</u> <u>Purpose</u>	<u>Ending</u> <u>Principal</u> <u>Balance</u>	<u>Principal and</u> <u>Interest Due</u> <u>Within One</u> <u>Year</u>
Sewage Works:			
Revenue bonds	Sewage Works Revenue Bonds of 2006 Series A	\$ 878,000	\$ 53,259
Revenue bonds	Sewage Works Revenue Bonds of 2006 Series B	<u>352,000</u>	<u>21,334</u>
Totals		<u>\$ 1,230,000</u>	<u>\$ 74,593</u>

NYONA-SOUTH MUD LAKES CONSERVANCY DISTRICT
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2016

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>
Sewage Works:	
Land	\$ 11,634
Buildings	240,000
Improvements other than buildings	3,965,424
Machinery, equipment, and vehicles	<u>84,440</u>
 Total capital assets	 <u>\$ 4,301,498</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/>.