



STATE OF INDIANA
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February 19, 2019

Board of Trustees
Evansville-Vanderburgh County Building Authority
Vanderburgh County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Evansville-Vanderburgh County Building Authority. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2015 to December 31, 2017. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Evansville-Vanderburgh County Building Authority as of December 31, 2015, 2016 and 2017, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for Evansville-Vanderburgh County Building Authority was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
Vanderburgh County, Indiana

FINANCIAL STATEMENTS
December 31, 2015, 2016, and 2017

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
Vanderburgh County, Indiana

FINANCIAL STATEMENTS
December 31, 2015, 2016, and 2017

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EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2015, 2016, and 2017

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager	David Rector	01-01-15 to 12-31-17
Treasurer	Andrew Goebel Eric Williams	01-01-15 to 12-31-15 01-01-16 to 12-31-17
President of the Board of Directors	John Stanley	01-01-15 to 12-31-17



INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Evansville-Vanderburgh County Building Authority
Evansville, Indiana

Report on the Financial Statement

We have audited the accompanying statements of receipts, disbursements, and cash and investment balances of Evansville-Vanderburgh County Building Authority (the Unit) as of and for the years ended December 31, 2015, 2016, and 2017, and the related notes (the financial statements).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statements, the Unit 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 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Unit as of December 31, 2015, 2016, and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the Unit as of December 31, 2015, 2016, and 2017, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Officials and Supplementary Information Schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
December 20, 2018

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
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
Capital & Debt Service Fund	\$ 2,942,279	\$ 5,764,747	\$ 5,698,449	\$ 3,008,577	\$ 5,032,232	\$ 4,822,438	\$ 3,218,371
Current Fund	707,889	8,793,878	9,121,124	380,643	14,707,634	14,397,460	690,817
Depreciation Reserve Fund	6,734,883	136,062	63,096	6,807,849	2,735,863	2,817,767	6,725,945
Restricted	26,564	-	2,512	24,052	356,558	357,835	22,775
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 10,411,615</u>	<u>\$ 14,694,687</u>	<u>\$ 14,885,181</u>	<u>\$ 10,221,121</u>	<u>\$ 22,832,287</u>	<u>\$ 22,395,500</u>	<u>\$ 10,657,908</u>

See accompanying notes to financial statements.

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2017

Fund	Cash and Investments <u>01-01-17</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-17</u>
Capital & Debt Service Fund	\$ 3,218,371	\$ 3,756,289	\$ 5,110,721	\$ 1,863,939
Current Fund	690,817	8,681,085	8,756,542	615,360
Depreciation Reserve Fund	6,725,945	3,165,495	2,789,397	7,102,043
Restricted	<u>22,775</u>	<u>349</u>	<u>82</u>	<u>23,042</u>
Totals	<u>\$ 10,657,908</u>	<u>\$ 15,603,218</u>	<u>\$ 16,656,742</u>	<u>\$ 9,604,384</u>

See accompanying notes to financial statements.

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015, 2016, and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Evansville-Vanderburgh County Building Authority (the Unit) was established under the laws of the State of Indiana. The Unit operates under an appointed governing board.

The accompanying financial statement presents the financial information for the Unit.

Basis of Accounting: The financial statement is 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 (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Charges for services. Amounts received including, but not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable television receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Other receipts. 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.

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. 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.

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 office supplies, operating supplies, and repair and maintenance supplies.

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

(Continued)

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015, 2016, and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt service principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Unit. It includes all expenditures for the reduction of the principal and interest of the Unit general obligation indebtedness.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various purposes including, but not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, lease agreements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

Interfund Transfers: The Unit 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.

Fund Accounting: Separate funds are established, maintained, and reported by the Unit. 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 Unit. 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 Unit 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 Unit 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 - 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 (PDIF). This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Unit 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. Given the limited investment parameters applicable under state statute, certain risks, such as credit, custodial, concentration, and interest rate are not deemed significant. As of the years ended December 31, 2015, 2016, and 2017, the Unit held investments in non-negotiable certificated of deposit, money market accounts and United States treasury securities.

The Unit held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable.

(Continued)

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015, 2016, and 2017

NOTE 4 - RISK MANAGEMENT

The Unit may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions 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 Unit to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

The Unit has purchased insurance to address the risks described above.

NOTE 5 - PENSION PLAN

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Unit authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS. The Unit made contributions to the PERF plan during the year(s) under audit. The contribution rate was 11.2% for the years under audit.

NOTE 6 - DEBT

In 2011, 2012 and 2013, the Unit issued bonds in the amount of \$9,800,000, \$9,910,000 and \$8,740,000, respectively. The bonds were issued for the purpose of building a jail command post. The bonds matures on January 15, 2028. The Unit made principal and interest payments during the years under audit.

(Continued)

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2015, 2016, and 2017

NOTE 6 - DEBT (Continued)

In 2013, the Unit issued bonds in the amount of \$13,770,000 for the purpose of financing construction projects. The bonds matured on February 1, 2018. The Unit made principal and interest payments the years under audit.

In 2017, the Unit issued a loan in the amount of \$1,649,096 for the purpose of financing the sheriff's operation center. The loan matures on June 15, 2022. The Unit made principal and interest payments during 2017.

In 2017, the Unit issued a memo of understanding with the City of Evansville Redevelopment Commission in the amount of \$300,000 for automated parking garages. The term of repayment by the Unit begins February 18, 2018 and ends February 18, 2020.

SUPPLEMENTAL SCHEDULES (Unaudited)

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2015

	Capital & Debt Service Fund	Current Fund	Depreciation Reserve Fund	Restricted	Totals
Cash and investments - beginning	\$ 2,942,279	\$ 707,889	\$ 6,734,883	\$ 26,564	\$ 10,411,615
Receipts:					
Charges for services	15,148	8,172,144	-	-	8,187,292
Other receipts	5,749,599	621,734	136,062	-	6,507,395
Total receipts	5,764,747	8,793,878	136,062	-	14,694,687
Disbursements:					
Personal services	-	4,141,875	-	-	4,141,875
Supplies	-	345,017	-	-	345,017
Other services and charges	2,514	4,229,667	63,096	2,512	4,297,789
Debt service - principal and interest	5,695,935	35,333	-	-	5,731,268
Other disbursements	-	369,232	-	-	369,232
Total disbursements	5,698,449	9,121,124	63,096	2,512	14,885,181
Excess (deficiency) of receipts over disbursements	66,298	(327,246)	72,966	(2,512)	(190,494)
Cash and investments - ending	\$ 3,008,577	\$ 380,643	\$ 6,807,849	\$ 24,052	\$ 10,221,121

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2016

	Capital & Debt Service Fund	Current Fund	Depreciation Reserve Fund	Restricted	Totals
Cash and investments - beginning	\$ 3,008,577	\$ 380,643	\$ 6,807,849	\$ 24,052	\$ 10,221,121
Receipts:					
Charges for services	14,277	6,722,824	-	-	6,737,101
Other receipts	5,017,955	7,984,810	2,735,863	356,558	16,095,186
Total receipts	5,032,232	14,707,634	2,735,863	356,558	22,832,287
Disbursements:					
Personal services	-	3,101,374	-	-	3,101,374
Supplies	-	616,142	-	-	616,142
Other services and charges	2,500	4,852,995	-	331	4,855,826
Debt service - principal and interest	4,419,274	35,118	-	-	4,454,392
Capital outlay	-	-	-	357,504	357,504
Other disbursements	400,664	5,791,831	2,817,767	-	9,010,262
Total disbursements	4,822,438	14,397,460	2,817,767	357,835	22,395,500
Excess (deficiency) of receipts over disbursements	209,794	310,174	(81,904)	(1,277)	436,787
Cash and investments - ending	\$ 3,218,371	\$ 690,817	\$ 6,725,945	\$ 22,775	\$ 10,657,908

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2017

	Capital & Debt Service Fund	Current Fund	Depreciation Reserve Fund	Restricted	Totals
Cash and investments - beginning	\$ 3,218,371	\$ 690,817	\$ 6,725,945	\$ 22,775	\$ 10,657,908
Receipts:					
Charges for services	-	6,458,020	-	-	6,458,020
Other receipts	<u>3,756,289</u>	<u>2,223,065</u>	<u>3,165,495</u>	<u>349</u>	<u>9,145,198</u>
Total receipts	<u>3,756,289</u>	<u>8,681,085</u>	<u>3,165,495</u>	<u>349</u>	<u>15,603,218</u>
Disbursements:					
Personal services	-	3,003,628	-	-	3,003,628
Supplies	-	354,078	-	-	354,078
Other services and charges	3,136	4,615,068	5	82	4,618,291
Debt service - principal and interest	3,606,000	35,118	-	-	3,641,118
Capital outlay	1,501,585	-	2,789,392	-	4,290,977
Other disbursements	<u>-</u>	<u>748,650</u>	<u>-</u>	<u>-</u>	<u>748,650</u>
Total disbursements	<u>5,110,721</u>	<u>8,756,542</u>	<u>2,789,397</u>	<u>82</u>	<u>16,656,742</u>
Excess (deficiency) of receipts over disbursements	<u>(1,354,432)</u>	<u>(75,457)</u>	<u>376,098</u>	<u>267</u>	<u>(1,053,524)</u>
Cash and investments - ending	<u>\$ 1,863,939</u>	<u>\$ 615,360</u>	<u>\$ 7,102,043</u>	<u>\$ 23,042</u>	<u>\$ 9,604,384</u>

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2017

<u>Government or Enterprise</u>	Accounts <u>Payable</u>	Accounts <u>Receivable</u>
Governmental activities	<u>\$ 138,979</u>	<u>\$ 3,794,989</u>

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2017

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
Revenue bonds	Jail & Centre Buildings	\$ 22,805,000	\$ 1,889,228
Notes and loans payable	Sheriff's Operations Center	1,602,747	134,594
Notes and loans payable	Garage Automation	<u>300,000</u>	<u>100,000</u>
Total governmental activities		<u>24,707,747</u>	<u>2,123,822</u>
Totals		<u>\$ 24,707,747</u>	<u>\$ 2,123,822</u>

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
SCHEDULE OF CAPITAL ASSETS
December 31, 2017

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>
Governmental activities:	
Buildings	\$ 2,856,692
Machinery, equipment and vehicles	<u>300,000</u>
Total governmental activities	<u>3,156,692</u>
Total capital assets	<u>\$ 3,156,692</u>

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
OTHER REPORT
December 31, 2015, 2016, and 2017

The reports presented herein were prepared in addition to another official report prepared for the Unit as listed below:

Indiana State Board of Accounts Compliance Examination of Evansville-Vanderburgh County Building Authority

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts*.