

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

FINANCIAL STATEMENT AUDIT REPORT

OF

VAN BIBBER LAKE CONSERVANCY DISTRICT

PUTNAM COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED

04/07/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Barbara Johnson Mary Owens	01-01-20 to 12-31-21 01-01-22 to 12-31-22
President of the District Board	Timothy Vandagriff	01-01-20 to 12-31-22



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE VAN BIBBER LAKE CONSERVANCY
DISTRICT, PUTNAM COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Van Bibber Lake Conservancy District (District), which comprises the financial position and results of operations for the year ended December 31, 2020, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statement 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 District'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 statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 to the financial statement, the District prepares its financial statement 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 statement 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 statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District for the year ended December 31, 2020.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the District for the year ended December 31, 2020, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the District's financial statement. The Combining Schedule 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 statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement, and, accordingly, we express no opinion on them.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 24, 2022

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the District. The financial statement and notes are presented as intended by the District.

VAN BIBBER LAKE CONSERVANCY DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20
RAINY DAY FUND	\$ 28,935	\$ 27,950	\$ -	\$ 56,885
WATER UTILITY CONSTRUCTION (IN PROGRESS)	-	825,000	492,281	332,719
PAYROLL	2,624	111,894	113,152	1,366
WASTEWATER UTILITY OPERATING	47,860	314,900	263,296	99,464
WW BOND & INTEREST BONY	44,718	85,670	85,715	44,673
WW DSR BONY	111,539	543	-	112,082
WATER DEBT SERVICE RESERVE	1,044	-	-	1,044
WATER UTILITY OPERATING	266,267	363,958	373,450	256,775
WATER UTL DEPRECIATION	20,159	40,318	-	60,477
UTILITY CLEARING	414	-	-	414
Totals	<u>\$ 523,560</u>	<u>\$ 1,770,233</u>	<u>\$ 1,327,894</u>	<u>\$ 965,899</u>

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

VAN BIBBER LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENT

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 a governing board.

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

B. 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, 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 statement. 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.

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

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 statement. The aggregate disbursements include the following uses:

VAN BIBBER LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

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

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. 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.

VAN BIBBER LAKE CONSERVANCY DISTRICT
NOTES TO FINANCIAL STATEMENT
(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 December 31 of the year preceding the budget year or January 15 of the budget year if the District is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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OTHER INFORMATION - UNAUDITED

The District's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement 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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the District. It is presented as intended by the District.

VAN BIBBER LAKE CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	RAINY DAY FUND	WATER UTILITY CONSTRUCTION (IN PROGRESS)	PAYROLL	WASTEWATER UTILITY OPERATING
Cash and investments - beginning	\$ 28,935	\$ -	\$ 2,624	\$ 47,860
Receipts:				
Taxes	-	-	-	-
Utility fees	-	-	-	302,340
Penalties	-	-	-	11,890
Other receipts	27,950	825,000	111,894	670
Total receipts	27,950	825,000	111,894	314,900
Disbursements:				
Personal services	-	-	-	53,764
Other services and charges	-	36	-	6,907
Debt service - principal and interest	-	-	-	-
Capital outlay	-	492,245	-	11,101
Utility operating expenses	-	-	-	106,084
Other disbursements	-	-	113,152	85,440
Total disbursements	-	492,281	113,152	263,296
Excess (deficiency) of receipts over disbursements	27,950	332,719	(1,258)	51,604
Cash and investments - ending	\$ 56,885	\$ 332,719	\$ 1,366	\$ 99,464

VAN BIBBER LAKE CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	WW BOND & INTEREST BONY	WW DSR BONY	WATER DEBT SERVICE RESERVE	WATER UTILITY OPERATING
Cash and investments - beginning	\$ 44,718	\$ 111,539	\$ 1,044	\$ 266,267
Receipts:				
Taxes	-	-	-	125,856
Utility fees	-	-	-	91,105
Penalties	-	-	-	11,126
Other receipts	85,670	543	-	135,871
Total receipts	85,670	543	-	363,958
Disbursements:				
Personal services	-	-	-	53,764
Other services and charges	-	-	-	8,482
Debt service - principal and interest	85,715	-	-	14,020
Capital outlay	-	-	-	6,954
Utility operating expenses	-	-	-	215,628
Other disbursements	-	-	-	74,602
Total disbursements	85,715	-	-	373,450
Excess (deficiency) of receipts over disbursements	(45)	543	-	(9,492)
Cash and investments - ending	\$ 44,673	\$ 112,082	\$ 1,044	\$ 256,775

VAN BIBBER LAKE CONSERVANCY DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	WATER UTL DEPRECIATION	UTILITY CLEARING	Totals
Cash and investments - beginning	\$ 20,159	\$ 414	\$ 523,560
Receipts:			
Taxes	-	-	125,856
Utility fees	-	-	393,445
Penalties	-	-	23,016
Other receipts	40,318	-	1,227,916
Total receipts	40,318	-	1,770,233
Disbursements:			
Personal services	-	-	107,528
Other services and charges	-	-	15,425
Debt service - principal and interest	-	-	99,735
Capital outlay	-	-	510,300
Utility operating expenses	-	-	321,712
Other disbursements	-	-	273,194
Total disbursements	-	-	1,327,894
Excess (deficiency) of receipts over disbursements	40,318	-	442,339
Cash and investments - ending	\$ 60,477	\$ 414	\$ 965,899

VAN BIBBER LAKE CONSERVANCY DISTRICT
 SCHEDULE OF LEASES AND DEBT
 December 31, 2020

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 2000	\$ 56,000	\$ 57,960
Revenue bonds	Sewage Works Revenue Bonds of 2002	<u>50,484</u>	<u>26,918</u>
Total Wastewater		<u>106,484</u>	<u>84,878</u>
Water:			
Revenue bonds	1992 Revenue Bonds	114,434	13,585
Revenue bonds	IDNR Flood Control Loan of 1999	<u>-</u>	<u>-</u>
Total Water		<u>114,434</u>	<u>13,585</u>
Totals		<u>\$ 220,918</u>	<u>\$ 98,463</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/>.