

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
ADAMS LAKE REGIONAL SEWER DISTRICT
LAGRANGE COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
08/03/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Linda Kiester	01-01-04 to 12-31-06
President of the Board	Bill Myers	01-01-04 to 12-31-04
	Bob Wiant	01-01-05 to 12-31-05
	Neal McKeeman	01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ADAMS LAKE REGIONAL
SEWER DISTRICT, LAGRANGE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Adams Lake Regional Sewer District (District), for the period of January 1, 2004 to December 31, 2005. The District's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the District for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 3, 2006

ADAMS LAKE REGIONAL SEWER DISTRICT
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2004 And 2005

	<u>Cash and Investments 01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-04</u>
Governmental Funds:				
Operating	\$ 52,434	\$ 103,244	\$ 59,993	\$ 95,685
Improvement	<u>413,879</u>	<u>19,903</u>	<u>66,996</u>	<u>366,786</u>
Totals	<u>\$ 466,313</u>	<u>\$ 123,147</u>	<u>\$ 126,989</u>	<u>\$ 462,471</u>

	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Funds:				
Operating	\$ 95,685	\$ 93,214	\$ 140,590	\$ 48,309
Improvement	<u>366,786</u>	<u>83,214</u>	<u>-</u>	<u>450,000</u>
Totals	<u>\$ 462,471</u>	<u>\$ 176,428</u>	<u>\$ 140,590</u>	<u>\$ 498,309</u>

The accompanying notes are an integral part of the schedules.

ADAMS LAKE REGIONAL WATER AND SEWER DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
BY SOURCES AND USES - PROPRIETARY FUNDS
As of And For The Years Ended December 31, 2004 and 2005

	<u>2004</u>	<u>2005</u>
	<u>Wastewater Utility</u>	<u>Wastewater Utility</u>
Operating receipts:		
Flat rate receipts	\$ 83,533	\$ 83,008
Penalties	<u>816</u>	<u>674</u>
Total operating receipts	<u>84,349</u>	<u>83,682</u>
Operating disbursements:		
Salaries and wages	18,314	19,043
Purchased power	7,093	68
Office supplies	1,913	1,321
Materials and supplies	1,025	-
Phone expense	1,771	-
Contractual services	88,648	51,229
Insurance and permits disbursements	4,078	4,185
Other	<u>4,149</u>	<u>169</u>
Total operating disbursements	<u>126,991</u>	<u>76,015</u>
Excess (deficiency) of receipts over disbursements	<u>(42,642)</u>	<u>7,667</u>
Nonoperating receipts		
Interest receipts	20,280	1,021
Miscellaneous receipts	<u>18,520</u>	<u>27,150</u>
Total nonoperating receipts	<u>38,800</u>	<u>28,171</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts	(3,842)	35,838
Transfers in	-	64,575
Transfers out	<u>-</u>	<u>(64,575)</u>
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	(3,842)	35,838
Cash basis fund balance - beginning	<u>466,313</u>	<u>462,471</u>
Cash basis fund balance - ending	<u>\$ 462,471</u>	<u>\$ 498,309</u>

The accompanying notes are an integral part of the schedules.

ADAMS LAKE REGIONAL SEWER DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the following services: wastewater collection and disposal.

Note 2. Fund Accounting

The District uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

ADAMS LAKE REGIONAL WATER AND SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2005

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Capital assets:	
Land	\$ 83,685
Buildings	240,735
Improvements other than buildings	1,979,345
Machinery and equipment	<u>13,269</u>
 Total business-type activities capital assets	 \$ <u>2,317,034</u>

ADAMS LAKE REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2006, with Linda Kiester, Treasurer. Our examination disclosed no material items that warrant comment at this time.