

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

EXAMINATION REPORT
OF
LAKE DALECARLIA REGIONAL WASTE DISTRICT
LAKE COUNTY, INDIANA
January 1, 2008 to December 31, 2010



FILED
04/13/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
District Manager	Nicole Walkowiak	01-01-08 to 12-31-11
President of the Board	Stanley B. Lee	01-01-08 to 12-31-11



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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 LAKE DALECARLIA REGIONAL
WASTE DISTRICT, LAKE COUNTY, INDIANA

We have examined the financial information presented herein of the Lake Dalecarlia Regional Waste District (District), for the period of January 1, 2008 to December 31, 2010. The District's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2008, 2009, and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

February 14, 2011

LAKE DALECARLIA REGIONAL WASTE DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008, 2009, And 2010

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 67,189	\$ 566,984	\$ 578,158	\$ 56,015
Capital	20,291	63,567	70,375	13,483
Debt Service Reserve (Sinking)	-	50,000	-	50,000
Totals	<u>\$ 87,480</u>	<u>\$ 680,551</u>	<u>\$ 648,533</u>	<u>\$ 119,498</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 56,015	\$ 531,203	\$ 559,282	\$ 27,936
Capital	13,483	48,249	17,893	43,839
Principal and Interest Payments	-	57,548	57,548	-
Debt Service Reserve (Sinking)	50,000	-	-	50,000
Principal and Interest Monthly Transfer	-	67,551	57,548	10,003
Construction Savings	-	890,696	621,000	269,696
Debt Service Monthly Transfer	-	7,125	-	7,125
Constructions Fund-Checks	-	1,609,000	1,598,729	10,271
Totals	<u>\$ 119,498</u>	<u>\$ 3,211,372</u>	<u>\$ 2,912,000</u>	<u>\$ 418,870</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 27,936	\$ 522,326	\$ 501,028	\$ 49,234
Capital	43,839	43,369	19,420	67,788
Principal and Interest Payments	-	119,222	119,222	-
Debt Service Reserve (Sinking)	50,000	-	-	50,000
Principal and Interest Monthly Transfer	10,003	119,279	119,222	10,060
Construction Savings	269,696	283	269,447	532
Debt Service Monthly Transfer	7,125	14,341	-	21,466
Constructions Fund-Checks	10,271	237,809	248,080	-
Totals	<u>\$ 418,870</u>	<u>\$ 1,056,629</u>	<u>\$ 1,276,419</u>	<u>\$ 199,080</u>

The accompanying notes are an integral part of the financial information.

LAKE DALECARLIA REGIONAL WASTE DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides sanitation services.

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. Budgets

The operating budget is prepared and approved at the local level.

Note 4. 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.

LAKE DALECARLIE REGIONAL WASTE DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Regional Waste District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
State Revolving Loan of 2001	\$ 289,000	\$ 35,270
Bonds payable:		
Revenue bonds:		
2009 Expansion of Treatment Plant	<u>960,000</u>	<u>82,416</u>
Total governmental activities debt	<u>\$ 1,249,000</u>	<u>\$ 117,686</u>

LAKE DALECARLIA REGIONAL WASTE DISTRICT
EXAMINATION RESULTS AND COMMENTS

RECEIPTS

Daily collections are supported by the customer's billing stub. The information is entered into the software program and a batch report is generated. The daily total is then entered into the general operating fund using a general receipt. The following discrepancies were noted concerning receipts:

1. There were instances where the batch total was not supported by the billing stubs.
2. Batch numbers are not assigned in sequential order.
3. Receipts posted to the general operating fund are not designated as cash or check.
4. Receipts to the general operating fund are posted in numerical order. We were unable to account for two receipts during our testing. We could not verify if the receipts were voided.
5. Customer billing stubs are stamped with the day of the deposit rather than the day of receipt.
6. For the month tested, collections were not deposited daily.

IC 5-13-6-1 requires all public funds shall be deposited not later than the business day following the receipt of funds on business days of the depository.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

The statute also provides public funds deposited shall be deposited in the same form in which they were received. This simply means all daily receipts received by the political subdivision must be deposited intact. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

LAKE DALECARLIA REGIONAL WASTE DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

DELINQUENT ACCOUNTS

The District does not have a formalized policy regarding the handling of delinquent accounts.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to the record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing, or executing write-offs or adjustments to the records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Guidelines Manual for Special Districts, Chapter 10)

LISTS OF EMPLOYEES - FILING WITH COUNTY TREASURER

The District did not file lists of employees to whom money is owed, with the County Treasurer, as required by Indiana Statute.

IC 6-1.1-22-14(a) states:

"On or before June 1 and December 1 of each year (or more frequently if the county legislative body adopts an ordinance requiring additional certifications), the disbursing officer of each political subdivision and the township executive shall certify the name and address of each person who has money due the person from the political subdivision to the treasurer of each county in which the political subdivision is located."

CRIME INSURANCE POLICIES

The crime insurance policy procured by the District has not been filed in the office of the County Recorder for 2010.

Crime insurance policies permitted by statute should be recorded in the same manner as official bonds under IC 5-4. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

LAKE DALECARLIA REGIONAL WASTE DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2011, with Nicole Walkowiak, District Manager, and Stanley B. Lee, President of Board. The officials concurred with our findings.