

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
TIPPECANOE COUNTY, INDIANA
January 1, 2010 to December 31, 2014



FILED
11/13/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	William J. Easterbrook	01-01-10 to 12-31-15
President of the Board	William J. Easterbrook	01-01-10 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAURAMIE TOWNSHIP REGIONAL
SEWER DISTRICT, TIPPECANOE COUNTY, INDIANA

We have examined the accompanying financial statements of the Lauramie Township Regional Sewer District (District) for the period of January 1, 2010 to December 31, 2014. The financial statements are the responsibility of the District's management. 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 and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, 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. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District for the period of January 1, 2010 to December 31, 2014.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the period of January 1, 2010 to December 31, 2014, on the basis of accounting described in Note 1.

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
Paul D. Joyce, CPA
State Examiner

September 1, 2015

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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.

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2010, 2011, and 2012

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Sewer Operating	\$ (7,110)	\$ 151,083	\$ 138,885	\$ 5,088
Sewer Bond & Interest	23,963	38,520	38,723	23,760
Sewer Debt Service Reserve	<u>23,403</u>	<u>3,900</u>	<u>-</u>	<u>27,303</u>
Totals	<u>\$ 40,256</u>	<u>\$ 193,503</u>	<u>\$ 177,608</u>	<u>\$ 56,151</u>

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Sewer Operating	\$ 5,088	\$ 135,319	\$ 139,600	\$ 807
Sewer Bond & Interest	23,760	38,116	38,318	23,558
Sewer Debt Service Reserve	<u>27,303</u>	<u>3,901</u>	<u>-</u>	<u>31,204</u>
Totals	<u>\$ 56,151</u>	<u>\$ 177,336</u>	<u>\$ 177,918</u>	<u>\$ 55,569</u>

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Sewer Operating	\$ 807	\$ 143,473	\$ 134,776	\$ 9,504
Sewer Bond & Interest	23,558	38,710	37,908	24,360
Sewer Debt Service Reserve	<u>31,204</u>	<u>3,900</u>	<u>-</u>	<u>35,104</u>
Totals	<u>\$ 55,569</u>	<u>\$ 186,083</u>	<u>\$ 172,684</u>	<u>\$ 68,968</u>

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

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Sewer Operating	\$ 9,504	\$ 141,619	\$ 144,196	\$ 6,927
Sewer Bond & Interest	24,360	38,260	38,485	24,135
Sewer Debt Service Reserve	35,104	3,901	-	39,005
Totals	<u>\$ 68,968</u>	<u>\$ 183,780</u>	<u>\$ 182,681</u>	<u>\$ 70,067</u>

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Sewer Operating	\$ 6,927	\$ 179,218	\$ 157,456	\$ 28,689
Sewer Bond & Interest	24,135	38,810	38,035	24,910
Sewer Debt Service Reserve	39,005	-	-	39,005
Totals	<u>\$ 70,067</u>	<u>\$ 218,028</u>	<u>\$ 195,491</u>	<u>\$ 92,604</u>

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

LAURAMIE TOWNSHIP REGIONAL SEWER 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 which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include 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.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows 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.

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include 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 which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are 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, transfer money 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 money 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 money 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, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

LAURAMIE TOWNSHIP REGIONAL SEWER 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 - UNAUDITED

The District's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

The District's Annual Report information for years 2011 and later 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 Annual Reports of the District which are 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.

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2010

	Sewer Operating	Sewer Bond & Interest	Sewer Debt Service Reserve	Totals
Cash and investments - beginning	\$ (7,110)	\$ 23,963	\$ 23,403	\$ 40,256
Receipts:				
Utility fees	128,056	-	-	128,056
Penalties	4,408	-	-	4,408
Other receipts	18,619	38,520	3,900	61,039
Total receipts	<u>151,083</u>	<u>38,520</u>	<u>3,900</u>	<u>193,503</u>
Disbursements:				
Personal services	20,634	-	-	20,634
Other services and charges	5,283	-	-	5,283
Debt service - principal and interest	5,587	38,723	-	44,310
Utility operating expenses	60,247	-	-	60,247
Other disbursements	47,134	-	-	47,134
Total disbursements	<u>138,885</u>	<u>38,723</u>	<u>-</u>	<u>177,608</u>
Excess (deficiency) of receipts over disbursements	<u>12,198</u>	<u>(203)</u>	<u>3,900</u>	<u>15,895</u>
Cash and investments - ending	<u>\$ 5,088</u>	<u>\$ 23,760</u>	<u>\$ 27,303</u>	<u>\$ 56,151</u>

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	Sewer Operating	Sewer Bond & Interest	Sewer Debt Service Reserve	Totals
Cash and investments - beginning	\$ 5,088	\$ 23,760	\$ 27,303	\$ 56,151
Receipts:				
Utility fees	130,181	-	-	130,181
Penalties	3,513	-	-	3,513
Other receipts	1,625	38,116	3,901	43,642
Total receipts	135,319	38,116	3,901	177,336
Disbursements:				
Personal services	20,584	-	-	20,584
Other services and charges	6,458	-	-	6,458
Debt service - principal and interest	5,561	38,318	-	43,879
Utility operating expenses	59,632	-	-	59,632
Other disbursements	47,365	-	-	47,365
Total disbursements	139,600	38,318	-	177,918
Excess (deficiency) of receipts over disbursements	(4,281)	(202)	3,901	(582)
Cash and investments - ending	\$ 807	\$ 23,558	\$ 31,204	\$ 55,569

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	<u>Sewer Operating</u>	<u>Sewer Bond & Interest</u>	<u>Sewer Debt Service Reserve</u>	<u>Totals</u>
Cash and investments - beginning	\$ 807	\$ 23,558	\$ 31,204	\$ 55,569
Receipts:				
Utility fees	135,356	-	-	135,356
Penalties	2,869	-	-	2,869
Other receipts	<u>5,248</u>	<u>38,710</u>	<u>3,900</u>	<u>47,858</u>
Total receipts	<u>143,473</u>	<u>38,710</u>	<u>3,900</u>	<u>186,083</u>
Disbursements:				
Personal services	20,350	-	-	20,350
Other services and charges	7,034	-	-	7,034
Debt service - principal and interest	-	37,908	-	37,908
Capital outlay	859	-	-	859
Utility operating expenses	57,516	-	-	57,516
Other disbursements	<u>49,017</u>	<u>-</u>	<u>-</u>	<u>49,017</u>
Total disbursements	<u>134,776</u>	<u>37,908</u>	<u>-</u>	<u>172,684</u>
Excess (deficiency) of receipts over disbursements	<u>8,697</u>	<u>802</u>	<u>3,900</u>	<u>13,399</u>
Cash and investments - ending	<u>\$ 9,504</u>	<u>\$ 24,360</u>	<u>\$ 35,104</u>	<u>\$ 68,968</u>

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	Sewer Operating	Sewer Bond & Interest	Sewer Debt Service Reserve	Totals
Cash and investments - beginning	\$ 9,504	\$ 24,360	\$ 35,104	\$ 68,968
Receipts:				
Utility fees	135,202	-	-	135,202
Penalties	5,100	-	-	5,100
Other receipts	1,317	38,260	3,901	43,478
Total receipts	141,619	38,260	3,901	183,780
Disbursements:				
Personal services	19,741	-	-	19,741
Other services and charges	7,788	-	-	7,788
Debt service - principal and interest	-	38,485	-	38,485
Capital outlay	800	-	-	800
Utility operating expenses	68,139	-	-	68,139
Other disbursements	47,728	-	-	47,728
Total disbursements	144,196	38,485	-	182,681
Excess (deficiency) of receipts over disbursements	(2,577)	(225)	3,901	1,099
Cash and investments - ending	\$ 6,927	\$ 24,135	\$ 39,005	\$ 70,067

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	Sewer Operating	Sewer Bond & Interest	Sewer Debt Service Reserve	Totals
Cash and investments - beginning	\$ 6,927	\$ 24,135	\$ 39,005	\$ 70,067
Receipts:				
Utility fees	142,342	-	-	142,342
Penalties	5,591	-	-	5,591
Other receipts	31,285	38,810	-	70,095
Total receipts	179,218	38,810	-	218,028
Disbursements:				
Personal services	20,288	-	-	20,288
Other services and charges	8,239	-	-	8,239
Debt service - principal and interest	38,979	38,035	-	77,014
Capital outlay	13,426	-	-	13,426
Utility operating expenses	66,647	-	-	66,647
Other disbursements	9,877	-	-	9,877
Total disbursements	157,456	38,035	-	195,491
Excess (deficiency) of receipts over disbursements	21,762	775	-	22,537
Cash and investments - ending	\$ 28,689	\$ 24,910	\$ 39,005	\$ 92,604

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2014

Enterprise	Accounts Payable	Accounts Receivable
Sewer	\$ -	\$ 6,368

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
 SCHEDULE OF LEASES AND DEBT
 December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Sewer:				
Ms. Mildred McDole	Land / Easement	\$ 500	1/1/2015	12/31/2015
Sharon K. Need	Land / Easement	<u>500</u>	1/1/2015	12/31/2015
Total of annual lease payments		<u>\$ 1,000</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Sewer:			
Revenue bonds	Sewage Works Revenue Bond	<u>\$ 618,000</u>	<u>\$ 38,563</u>

LAURAMIE TOWNSHIP REGIONAL SEWER DISTRICT
SCHEDULE OF CAPITAL ASSETS
December 31, 2014

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>
Sewer:	
Land	\$ 31,400
Buildings	911,794
Machinery, equipment, and vehicles	<u>837,367</u>
Total capital assets	<u>\$ 1,780,561</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/>.