

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

EXAMINATION REPORT
OF
LAOTTO REGIONAL SEWER DISTRICT
NOBLE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/19/2010

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OFFICIALS

Office

Official

Term

Financial Clerk

Linda L. Kiester

01-01-08 to 12-31-10

President of the Board

Phillip A. Troyer
Terry Cartwright

01-01-08 to 05-31-09
06-01-09 to 12-31-10



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAOTTO REGIONAL SEWER DISTRICT, NOBLE COUNTY, INDIANA

We have examined the financial information presented herein of the LaOtto Regional Sewer District (District), for the period of January 1, 2008 to December 31, 2009. 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 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 13, 2010

LAOTTO REGIONAL SEWER DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 168,140	\$ 136,293	\$ 103,722	\$ 200,711
Bond and Interest	34,925	68,200	68,625	34,500
Reserve	<u>70,875</u>	<u>-</u>	<u>-</u>	<u>70,875</u>
Totals	<u>\$ 273,940</u>	<u>\$ 204,493</u>	<u>\$ 172,347</u>	<u>\$ 306,086</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Operating	\$ 200,711	\$ 136,828	\$ 131,228	\$ 206,311
Bond and Interest	34,500	68,302	67,775	35,027
Reserve	<u>70,875</u>	<u>-</u>	<u>-</u>	<u>70,875</u>
Totals	<u>\$ 306,086</u>	<u>\$ 205,130</u>	<u>\$ 199,003</u>	<u>\$ 312,213</u>

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

LAOTTO REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

LAOTTO REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

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>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Capital assets, not being depreciated:	
Land	\$ 166,240
Buildings	300,666
Improvements other than buildings	1,078,985
Machinery and equipment	<u>26,545</u>
 Total business-type activities, capital assets	 <u><u>\$ 1,572,436</u></u>

LAOTTO REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Sewer District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Revenue bonds:		
\$1,154,200 1997 Sewage Works Improvements	\$ 993,000	\$ 67,900

LAOTTO REGIONAL SEWER DISTRICT
EXAMINATION RESULT AND COMMENT

ANNUAL REPORTS

The annual reports (SDAR-1) for 2008 and 2009 were not prepared and filed with the state examiner. Additionally, the annual report for 2009 was not filed electronically. A similar comment appeared in Report B33179.

IC 5-11-1-4 states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner . . ."

LAOTTO REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2010, with Linda L. Kiestler, Financial Clerk. The official concurred with our finding.