

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

LAKE DALECARLIA REGIONAL WASTE DISTRICT

LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED

02/12/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
District Manager	Nicole Walkowiak	01-01-11 to 12-31-15
President of the Board	Stanley B. Lee	01-01-11 to 12-31-11
	Jim Teske	01-01-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAKE DALECARLIA REGIONAL WASTE
DISTRICT, LAKE COUNTY, INDIANA

We have examined the accompanying financial statements of the Lake Dalecarlia Regional Waste District (District), for the period of January 1, 2011 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.

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, 2011 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, 2011 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 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

October 22, 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.

LAKE DALECARLIA REGIONAL WASTE DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2011 and 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General Fund	\$ 49,234	\$ 551,813	\$ 513,034	\$ 88,013	\$ 540,436	\$ 506,438	\$ 122,011
DSR	50,000	-	-	50,000	8	-	50,008
P&I Payments	-	117,687	117,687	-	121,113	121,113	-
Capital Purchase	-	48,543	48,543	-	17,398	17,398	-
Capital Fund Savings	67,788	45,492	48,543	64,737	31,221	17,398	78,560
Change Making Fund	-	25	-	25	-	-	25
Construction Savings	532	-	532	-	-	-	-
DSR Monthly Transfer	21,466	11,915	-	33,381	13,093	-	46,474
P&I Monthly Transfers	10,060	120,463	117,687	12,836	122,170	121,112	13,894
Petty Cash	-	115	65	50	70	70	50
Totals	<u>\$ 199,080</u>	<u>\$ 896,053</u>	<u>\$ 846,091</u>	<u>\$ 249,042</u>	<u>\$ 845,509</u>	<u>\$ 783,529</u>	<u>\$ 311,022</u>

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

LAKE DALECARLIA REGIONAL WASTE DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
General Fund	\$ 122,011	\$ 536,840	\$ 517,305	\$ 141,546	\$ 549,231	\$ 503,058	\$ 187,719
DSR Savings	50,008	58	-	50,066	25	-	50,091
P&I Payments	-	119,227	119,227	-	117,302	117,302	-
Capital Purchase	-	5,589	5,589	-	16,460	16,460	-
Capital Fund Savings	78,560	29,270	5,589	102,241	31,151	16,460	116,932
Change Making Fund	25	-	-	25	-	-	25
DSR Monthly Transfer	46,474	14,253	-	60,727	7,149	-	67,876
P&I Monthly Transfers	13,894	119,087	119,227	13,754	117,156	117,302	13,608
Petty Cash	50	85	85	50	102	102	50
Totals	<u>\$ 311,022</u>	<u>\$ 824,409</u>	<u>\$ 767,022</u>	<u>\$ 368,409</u>	<u>\$ 838,576</u>	<u>\$ 770,684</u>	<u>\$ 436,301</u>

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

LAKE DALECARLIA REGIONAL WASTE 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 elected 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:

Charges for services of the local sanitary sewer operation and other related services therein.

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.

LAKE DALECARLIA REGIONAL WASTE DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

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.

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.

Note 2. Budgets

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

Note 3. 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.

LAKE DALECARLIA REGIONAL WASTE DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Note 4. 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 Report information 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.

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	General Fund	DSR	P&I Payments	Capital Purchase	Capital Fund Savings	Change Making Fund
Cash and investments - beginning	\$ 49,234	\$ 50,000	\$ -	\$ -	\$ 67,788	\$ -
Receipts:						
Charges for services	542,890	-	-	-	-	-
Other receipts	8,923	-	117,687	48,543	45,492	25
Total receipts	551,813	-	117,687	48,543	45,492	25
Disbursements:						
Personal services	141,903	-	-	-	-	-
Supplies	42,796	-	-	-	-	-
Other services and charges	156,621	-	-	-	-	-
Debt service - principal and interest	-	-	117,687	-	-	-
Capital outlay	-	-	-	32,447	-	-
Other disbursements	171,714	-	-	16,096	48,543	-
Total disbursements	513,034	-	117,687	48,543	48,543	-
Excess (deficiency) of receipts over disbursements	38,779	-	-	-	(3,051)	25
Cash and investments - ending	\$ 88,013	\$ 50,000	\$ -	\$ -	\$ 64,737	\$ 25

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011
 (Continued)

	Construction Savings	DSR Monthly Transfer	P&I Monthly Transfers	Petty Cash	Totals
Cash and investments - beginning	\$ 532	\$ 21,466	\$ 10,060	\$ -	\$ 199,080
Receipts:					
Charges for services	-	-	-	-	542,890
Other receipts	-	11,915	120,463	115	353,163
Total receipts	-	11,915	120,463	115	896,053
Disbursements:					
Personal services	-	-	-	-	141,903
Supplies	-	-	-	65	42,861
Other services and charges	-	-	-	-	156,621
Debt service - principal and interest	-	-	117,687	-	235,374
Capital outlay	-	-	-	-	32,447
Other disbursements	532	-	-	-	236,885
Total disbursements	532	-	117,687	65	846,091
Excess (deficiency) of receipts over disbursements	(532)	11,915	2,776	50	49,962
Cash and investments - ending	\$ -	\$ 33,381	\$ 12,836	\$ 50	\$ 249,042

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	General Fund	DSR	P&I Payments	Capital Purchase	Capital Fund Savings	Change Making Fund
Cash and investments - beginning	\$ 88,013	\$ 50,000	\$ -	\$ -	\$ 64,737	\$ 25
Receipts:						
Charges for services	532,803	-	-	-	-	-
Other receipts	7,633	8	121,113	17,398	31,221	-
Total receipts	540,436	8	121,113	17,398	31,221	-
Disbursements:						
Personal services	130,802	-	-	-	-	-
Supplies	48,813	-	-	-	-	-
Other services and charges	160,475	-	-	-	-	-
Debt service - principal and interest	-	-	121,113	-	-	-
Capital outlay	-	-	-	17,398	-	-
Other disbursements	166,348	-	-	-	17,398	-
Total disbursements	506,438	-	121,113	17,398	17,398	-
Excess (deficiency) of receipts over disbursements	33,998	8	-	-	13,823	-
Cash and investments - ending	\$ 122,011	\$ 50,008	\$ -	\$ -	\$ 78,560	\$ 25

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012
 (Continued)

	Construction Savings	DSR Monthly Transfer	P&I Monthly Transfers	Petty Cash	Totals
Cash and investments - beginning	\$ -	\$ 33,381	\$ 12,836	\$ 50	\$ 249,042
Receipts:					
Charges for services	-	-	-	-	532,803
Other receipts	-	13,093	122,170	70	312,706
Total receipts	-	13,093	122,170	70	845,509
Disbursements:					
Personal services	-	-	-	-	130,802
Supplies	-	-	-	70	48,883
Other services and charges	-	-	-	-	160,475
Debt service - principal and interest	-	-	-	-	121,113
Capital outlay	-	-	-	-	17,398
Other disbursements	-	-	121,112	-	304,858
Total disbursements	-	-	121,112	70	783,529
Excess (deficiency) of receipts over disbursements	-	13,093	1,058	-	61,980
Cash and investments - ending	\$ -	\$ 46,474	\$ 13,894	\$ 50	\$ 311,022

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	General Fund	DSR Savings	P&I Payments	Capital Purchase	Capital Fund Savings
Cash and investments - beginning	\$ 122,011	\$ 50,008	\$ -	\$ -	\$ 78,560
Receipts:					
Charges for services	526,817	-	-	-	-
Other receipts	<u>10,023</u>	<u>58</u>	<u>119,227</u>	<u>5,589</u>	<u>29,270</u>
Total receipts	<u>536,840</u>	<u>58</u>	<u>119,227</u>	<u>5,589</u>	<u>29,270</u>
Disbursements:					
Personal services	99,039	-	-	-	-
Supplies	32,821	-	-	-	-
Other services and charges	172,321	-	-	-	-
Debt service - principal and interest	-	-	119,227	-	-
Capital outlay	990	-	-	5,589	-
Other disbursements	<u>212,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,589</u>
Total disbursements	<u>517,305</u>	<u>-</u>	<u>119,227</u>	<u>5,589</u>	<u>5,589</u>
Excess (deficiency) of receipts over disbursements	<u>19,535</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>23,681</u>
Cash and investments - ending	<u>\$ 141,546</u>	<u>\$ 50,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,241</u>

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Change Making Fund	DSR Monthly Transfer	P&I Monthly Transfers	Petty Cash	Totals
Cash and investments - beginning	\$ 25	\$ 46,474	\$ 13,894	\$ 50	\$ 311,022
Receipts:					
Charges for services	-	-	-	-	526,817
Other receipts	-	14,253	119,087	85	297,592
Total receipts	-	14,253	119,087	85	824,409
Disbursements:					
Personal services	-	-	-	-	99,039
Supplies	-	-	-	-	32,821
Other services and charges	-	-	-	-	172,321
Debt service - principal and interest	-	-	-	-	119,227
Capital outlay	-	-	-	-	6,579
Other disbursements	-	-	119,227	85	337,035
Total disbursements	-	-	119,227	85	767,022
Excess (deficiency) of receipts over disbursements	-	14,253	(140)	-	57,387
Cash and investments - ending	\$ 25	\$ 60,727	\$ 13,754	\$ 50	\$ 368,409

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	General Fund	DSR Savings	P&I Payments	Capital Purchase	Capital Fund Savings
Cash and investments - beginning	\$ 141,546	\$ 50,066	\$ -	\$ -	\$ 102,241
Receipts:					
Charges for services	539,140	-	-	-	-
Other receipts	10,091	25	117,302	16,460	31,151
Total receipts	549,231	25	117,302	16,460	31,151
Disbursements:					
Personal services	131,859	-	-	-	-
Supplies	35,752	-	-	-	-
Other services and charges	163,550	-	-	-	-
Debt service - principal and interest	-	-	117,302	-	-
Capital outlay	-	-	-	16,460	-
Other disbursements	171,897	-	-	-	16,460
Total disbursements	503,058	-	117,302	16,460	16,460
Excess (deficiency) of receipts over disbursements	46,173	25	-	-	14,691
Cash and investments - ending	\$ 187,719	\$ 50,091	\$ -	\$ -	\$ 116,932

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Change Making Fund	DSR Monthly Transfer	P&I Monthly Transfers	Petty Cash	Totals
Cash and investments - beginning	\$ 25	\$ 60,727	\$ 13,754	\$ 50	\$ 368,409
Receipts:					
Charges for services	-	-	-	-	539,140
Other receipts	-	7,149	117,156	102	299,436
Total receipts	-	7,149	117,156	102	838,576
Disbursements:					
Personal services	-	-	-	-	131,859
Supplies	-	-	-	102	35,854
Other services and charges	-	-	-	-	163,550
Debt service - principal and interest	-	-	-	-	117,302
Capital outlay	-	-	-	-	16,460
Other disbursements	-	-	117,302	-	305,659
Total disbursements	-	-	117,302	102	770,684
Excess (deficiency) of receipts over disbursements	-	7,149	(146)	-	67,892
Cash and investments - ending	\$ 25	\$ 67,876	\$ 13,608	\$ 50	\$ 436,301

LAKE DALECARLIA REGIONAL WASTE DISTRICT
 SCHEDULE OF DEBT
 December 31, 2014

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Sewage Works Revenue Bonds	Sewage Bond - New Treatment Plant	\$ 825,000	\$ 80,045
Sewage Works Revenue Bonds	Sewage Bond - 2001 Improvements	<u>187,000</u>	<u>35,293</u>
Totals		<u>\$ 1,012,000</u>	<u>\$ 115,338</u>

LAKE DALECARLIA REGIONAL WASTE 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.

	Ending Balance
Governmental activities:	
Land	\$ 6,400
Infrastructure	4,412,115
Buildings	305,108
Machinery, equipment, and vehicles	8,400
 Total capital assets	 \$ 4,732,023

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/>.