

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

EXAMINATION REPORT  
OF  
LEO-CEDARVILLE REGIONAL SEWER DISTRICT  
ALLEN COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
10/02/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Office Manager	Ann Miller	01-01-04 to 12-31-06
Operations Manager	Basil Wisler	01-01-04 to 12-31-06
Treasurer	Phil Stuckey	01-01-04 to 12-31-06
President of the Board	Dave Jones	01-01-04 to 12-31-06



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LEO-CEDARVILLE REGIONAL  
SEWER DISTRICT, ALLEN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Leo-Cedarville Regional Sewer 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

September 14, 2006

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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Operating	\$ 11,382	\$ 560,043	\$ 554,050	\$ 17,375
Bond and Interest	1,016,906	664,788	677,233	1,004,461
Reserve	60,000	-	-	60,000
Improvement	<u>739,923</u>	<u>71,478</u>	<u>-</u>	<u>811,401</u>
Totals	<u>\$ 1,828,211</u>	<u>\$ 1,296,309</u>	<u>\$ 1,231,283</u>	<u>\$ 1,893,237</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Operating	\$ 17,375	\$ 654,798	\$ 619,982	\$ 52,191
Bond and Interest	1,004,461	597,156	733,960	867,657
Reserve	60,000	-	-	60,000
Improvement	<u>811,401</u>	<u>78,960</u>	<u>-</u>	<u>890,361</u>
Totals	<u>\$ 1,893,237</u>	<u>\$ 1,330,914</u>	<u>\$ 1,353,942</u>	<u>\$ 1,870,209</u>

The accompanying notes are an integral part of the schedules.

LEO-CEDARVILLE REGIONAL 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>
	Wastewater Utility	Wastewater Utility
Operating receipts:		
Flat rate receipts	\$ 456,398	\$ 461,853
Other	<u>123,277</u>	<u>94,956</u>
 Total operating receipts	 <u>579,675</u>	 <u>556,809</u>
Operating disbursements:		
Salaries and wages	107,989	105,406
Purchased wastewater treatment	206,909	233,519
Purchased power	26,392	28,087
Materials and supplies	16,986	12,910
Contractual services	28,078	37,469
Other	<u>154,309</u>	<u>153,219</u>
 Total operating disbursements	 <u>540,663</u>	 <u>570,610</u>
 Excess (deficiency) of receipts over disbursements	 <u>39,012</u>	 <u>(13,801)</u>
Nonoperating receipts (disbursements):		
Interest receipts	30,952	39,056
Miscellaneous receipts	44,862	1,317
Debt service principal	(24,000)	(25,000)
Interest disbursements	<u>(25,800)</u>	<u>(24,600)</u>
 Total nonoperating receipts (disbursements)	 <u>26,014</u>	 <u>(9,227)</u>
 Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	 65,026	 (23,028)
Transfers in	640,820	733,732
Transfers out	<u>(640,820)</u>	<u>(733,732)</u>
 Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	 65,026	 (23,028)
 Cash basis fund balance - beginning	 <u>1,828,211</u>	 <u>1,893,237</u>
 Cash basis fund balance - ending	 <u>\$ 1,893,237</u>	 <u>\$ 1,870,209</u>

The accompanying notes are an integral part of the schedules.

LEO-CEDARVILLE 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: collection and disposal of wastewater and sewage.

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.

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

LEO-CEDARVILLE REGIONAL SEWER DISTRICT  
NOTES TO SCHEDULES  
(Continued)

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 5. Long-Term Debt

The Regional Sewer District issued bonds to be paid by income derived from the acquired or constructed assets. The outstanding principal at December 31, 2004 and 2005 was \$492,000 and \$467,000, respectively.

LEO-CEDARVILLE REGIONAL SEWER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 14, 2006, with Phil Stuckey, Treasurer; and Basil Wisler, Operations Manager. Our examination disclosed no material items that warrant comment at this time.