

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

EXAMINATION REPORT
OF
MARIAH HILL REGIONAL SEWER DISTRICT
SPENCER COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/29/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dianne P. Otto Stephanie M. Dilger	01-01-04 to 03-31-05 04-01-05 to 12-31-06
President of the Board	Edwin Balbach	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MARIAH HILL REGIONAL SEWER DISTRICT, SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of Mariah Hill Regional Sewer District (District), for the period of January 1, 2004 to December 31, 2005. 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 present fairly, in all material respects, the financial information 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

November 28, 2006

MARIAH HILL 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Proprietary Funds:				
Operating	\$ 47,992	\$ 113,303	\$ 138,704	\$ 22,591
Bond and Interest	20,564	48,864	48,796	20,632
Debt Service Reserve	17,306	30,694	-	48,000
Replacement	9,917	5,250	-	15,167
Totals	<u>\$ 95,779</u>	<u>\$ 198,111</u>	<u>\$ 187,500</u>	<u>\$ 106,390</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ 22,591	\$ 93,110	\$ 102,999	\$ 12,702
Bond and Interest	20,632	48,864	48,896	20,600
Debt Service Reserve	48,000	-	-	48,000
Replacement	15,167	-	-	15,167
Totals	<u>\$ 106,390</u>	<u>\$ 141,974</u>	<u>\$ 151,895</u>	<u>\$ 96,469</u>

The accompanying notes are an integral part of the schedules.

MARIAH HILL 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 the following service: wastewater removal.

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.

Note 5. Long-Term Debt-State Revolving Loan

The District has entered into a state revolving loan for construction of sewer lines. The outstanding principal at December 31, 2005, was \$610,000.

Note 6. Rate Structure

The current rate structure was approved by the District Board of Trustees on February 7, 2002.

MARIAH HILL REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 28, 2006, with Stephanie M. Dilger, Treasurer. The contents of this report were discussed on November 29, 2006, with Dianne P. Otto, former Treasurer. Our examination disclosed no material items that warrant comment at this time.