

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

EXAMINATION REPORT

OF

ST. JOE-SPENCERVILLE REGIONAL SEWER DISTRICT

DEKALB COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
12/29/2006

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DISTRICT OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James L. Dwyer	01-01-04 to 12-31-06
President of the Board of Trustees	Donald Hollman	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ST. JOE-SPENCERVILLE REGIONAL
SEWER DISTRICT, DEKALB COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of St. Joe-Spencerville 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

November 28, 2006

ST.JOE-SPENCERVILLE 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 <u>01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-04</u>
Operating cash and cash equivalents	\$ 22,014	\$ 324,124	\$ 324,124	\$ 22,014
Depreciation cash and cash equivalents	70,832	90,668	58,921	102,579
Bond and interest cash and cash equivalents	619	105,031	105,580	70
Reserve investments	<u>105,780</u>	<u>-</u>	<u>-</u>	<u>105,780</u>
Totals	<u>\$ 199,245</u>	<u>\$ 519,823</u>	<u>\$ 488,625</u>	<u>\$ 230,443</u>

	Cash and Investments <u>01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-05</u>
Operating cash and cash equivalents	\$ 22,014	\$ 336,249	\$ 336,249	\$ 22,014
Depreciation cash and cash equivalents	102,579	94,829	55,873	141,535
Bond and interest cash and cash equivalents	70	105,852	104,880	1,042
Reserve investments	<u>105,780</u>	<u>-</u>	<u>-</u>	<u>105,780</u>
Totals	<u>\$ 230,443</u>	<u>\$ 536,930</u>	<u>\$ 497,002</u>	<u>\$ 270,371</u>

The accompanying notes are an integral part of the schedules.

ST.JOE-SPENCERVILLE 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	\$ 305,577	\$ 297,783
Other	<u>15,686</u>	<u>35,401</u>
Total operating receipts	<u>321,263</u>	<u>333,184</u>
Operating disbursements:		
Salaries and wages	1,591	1,382
Purchased power	18,253	18,801
Materials and supplies	6,942	5,825
Contractual services	120,820	120,839
Other	<u>39,741</u>	<u>44,594</u>
Total operating disbursements	<u>187,347</u>	<u>191,441</u>
Excess of receipts over disbursements	<u>133,916</u>	<u>141,743</u>
Nonoperating receipts (disbursements):		
Interest on Investments	2,862	3,065
Principal on revenue bonds	(85,000)	(86,000)
Interest on revenue bonds	<u>(20,580)</u>	<u>(18,880)</u>
Total nonoperating receipts (disbursements)	<u>(102,718)</u>	<u>(101,815)</u>
Excess of receipts over disbursements and nonoperating receipts (disbursements)	31,198	39,928
Transfers in	195,698	200,681
Transfers out	<u>(195,698)</u>	<u>(200,681)</u>
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	31,198	39,928
Cash basis fund balance - beginning	<u>199,245</u>	<u>230,443</u>
Cash basis fund balance - ending	<u>\$ 230,443</u>	<u>\$ 270,371</u>

The accompanying notes are an integral part of the schedules.

ST. JOE-SPENCERVILLE REGIONAL SEWER DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The St. Joe-Spencerville Regional Sewer District was established pursuant to Indiana Code 13-26-1. The District is governed by a Board of Trustees, and provides the following services: collection, treatment, and disposal of sewage inside the district and also outside the district.

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. Long-Term Debt

The District has issued bonds to be paid by income derived from the acquired or constructed assets. The outstanding principal at December 31, 2004, and December 31, 2005, was \$944,000 and \$858,000, respectively.

ST. JOE-SPENCERVILLE REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 28, 2006, with James L. Dwyer, Treasurer. Our examination disclosed no material items that warrant comment at this time.