

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

EXAMINATION REPORT

OF

LUCE TOWNSHIP REGIONAL SEWER DISTRICT

SPENCER COUNTY, INDIANA

May 13, 2002 to December 31, 2006



FILED
02/19/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Barbara L. Tuley Terrance Grady Gordon John D. Wayman	05-13-02 to 04-30-06 05-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board	William Rick Garrett	05-13-02 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LUCE TOWNSHIP REGIONAL SEWER DISTRICT, SPENCER COUNTY, INDIANA

We have examined the financial information presented herein of Luce Township Regional Sewer District (District), for the period of May 13, 2002 to December 31, 2006. 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, 2002, 2003, 2004, 2005, and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 1, 2007

LUCE TOWNSHIP REGIONAL SEWER DISTRICT
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 As Of And For The Years Ended December 31, 2002, 2003, 2004, 2005, And 2006

	Cash and Investments 05-13-02	Receipts	Disbursements	Cash and Investments 12-31-02
Luce Township Regional Sewer District	\$ <u> -</u>	\$ <u> 645,611</u>	\$ <u> 385,725</u>	\$ <u> 259,886</u>
	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Luce Township Regional Sewer District	\$ <u> 259,886</u>	\$ <u> 150,541</u>	\$ <u> 291,313</u>	\$ <u> 119,114</u>
	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Luce Township Regional Sewer District	\$ <u> 119,114</u>	\$ <u> 150,224</u>	\$ <u> 205,383</u>	\$ <u> 63,955</u>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Luce Township Regional Sewer District	\$ <u> 63,955</u>	\$ <u> 957,639</u>	\$ <u> 555,463</u>	\$ <u> 466,131</u>
	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Luce Township Regional Sewer District	\$ <u> 466,131</u>	\$ <u> 160,194</u>	\$ <u> 268,295</u>	\$ <u> 358,030</u>

The accompanying notes are an integral part of the schedules.

LUCE TOWNSHIP 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. Bond Anticipation Notes

The District has entered into bond anticipation notes for a sewer line project. The outstanding principal at December 31, 2006, was \$210,000 on Series 2002 A and \$800,000 on Series 2005.

LUCE TOWNSHIP REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

Receipts were not issued during the examination period.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PERSONAL EXPENSES

The District paid \$166.90 for flowers for funerals of relatives of either the District's Attorney or those of Board Members. These expenditures were not considered necessary for the operation of the District.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

LUCE TOWNSHIP REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 1, 2007, with William Rick Garrett, President of the Board; Terrance Grady Gordon, former Treasurer; Barbara L. Tuley, former Treasurer; John D. Wayman, Treasurer; and Anita A. McKinney, Clerk. The officials concurred with our findings.