

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, 2006 to December 31, 2007



FILED
10/07/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stephanie M. Dilger Lisa Vaal	01-01-06 to 03-06-07 03-07-07 to 12-31-08
President of the Board	Edwin Balbach	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Mariah Hill Regional Sewer District (District), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 14, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Operating	\$ 12,702	\$ 87,902	\$ 96,983	\$ 3,621
Bond and Interest	20,600	48,864	48,960	20,504
Debt Service Reserve	48,000	-	-	48,000
Replacement	15,167	-	556	14,611
Totals	<u>\$ 96,469</u>	<u>\$ 136,766</u>	<u>\$ 146,499</u>	<u>\$ 86,736</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 3,621	\$ 106,850	\$ 96,948	\$ 13,523
Bond and Interest	20,504	48,476	48,988	19,992
Debt Service Reserve	48,000	988	-	48,988
Replacement	14,611	-	581	14,030
Totals	<u>\$ 86,736</u>	<u>\$ 156,314</u>	<u>\$ 146,517</u>	<u>\$ 96,533</u>

The accompanying notes are an integral part of the financial information.

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 initially 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, 2007, was \$555,000.

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
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2007

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Capital assets, not being depreciated:	
Land	\$ 5,000
Improvements other than buildings	<u>1,823,530</u>
 Total capital assets	 <u><u>\$ 1,828,530</u></u>

MARIAH HILL REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
State revolving loan payable	\$ <u>555,000</u>	\$ <u>47,980</u>

MARIAH HILL REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

ANNUAL REPORT

An annual report for 2007 was not filed by the due date.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

MARIAH HILL REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2008, with Lisa Vaal, Treasurer. The official concurred with our findings.