

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

EXAMINATION REPORT  
OF  
SOUTH HENRY REGIONAL WASTEWATER DISTRICT  
HENRY COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
01/16/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jerry Libby	01-01-06 to 12-31-08
District Manager/Treasurer	Connie Stevens	01-01-06 to 12-31-08
President of the Board	Larry Protsman	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SOUTH HENRY REGIONAL  
WASTEWATER DISTRICT, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of South Henry Regional Wastewater 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

December 18, 2008

SOUTH HENRY REGIONAL WASTEWATER 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	\$ 402,237	\$ 656,369	\$ 774,502	\$ 284,104
Sinking	164,971	209,640	199,300	175,311
Depreciation	297,038	43,307	9,735	330,610
Debt Service	281,509	10,644	35,000	257,153
Construction	-	100,000	-	100,000
Construction - Mays	48,281	-	48,281	-
Totals	<u>\$ 1,194,036</u>	<u>\$ 1,019,960</u>	<u>\$ 1,066,818</u>	<u>\$ 1,147,178</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 284,104	\$ 705,805	\$ 849,194	\$ 140,715
Sinking	175,311	210,584	198,795	187,100
Depreciation	330,610	42,376	15,275	357,711
Debt Service	257,153	13,188	14,000	256,341
Construction	100,000	-	-	100,000
Totals	<u>\$ 1,147,178</u>	<u>\$ 971,953</u>	<u>\$ 1,077,264</u>	<u>\$ 1,041,867</u>

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

SOUTH HENRY REGIONAL WASTEWATER DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides wastewater collection and treatment services for the residents of the Dunreith, Lewisville, Spiceland and Straughn communities.

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

SOUTH HENRY REGIONAL WASTEWATER DISTRICT  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

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 District has entered into debts such as bonds for capital improvements. The outstanding principal at December 31, 2007, was \$2,845,000.

SOUTH HENRY REGIONAL WASTEWATER 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.

Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 200,000
Capital assets, being depreciated:	
Buildings	800,000
Improvements other than buildings	10,699,596
Machinery and equipment	<u>300,000</u>
 Total Wastewater Utility capital assets	 <u>\$ 11,999,596</u>

SOUTH HENRY REGIONAL WASTEWATER DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Treatment Plan and Collection System	\$ 2,845,000	\$ 199,188

SOUTH HENRY REGIONAL WASTE DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2008, with Connie Stevens, District Manager/Treasurer; and Larry Protsman, President of the Board. Our examination disclosed no material items that warrant comment at this time.