

B37770

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

EXAMINATION REPORT
OF
ROCKFIELD REGIONAL SEWER DISTRICT
CARROLL COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/10/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Schedule of Long-Term Debt	7
Examination Results and Comments:	
Prescribed Forms	8
Annual Report	8
Sewage Late Fees	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Steven W. Goodrich	01-01-08 to 12-31-10
President of the Board	Terry Nipple	01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ROCKFIELD REGIONAL SEWER DISTRICT, CARROLL COUNTY, INDIANA

We have examined the financial information presented herein of Rockfield Regional Sewer District (District), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

July 29, 2010

ROCKFIELD REGIONAL SEWER DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES
ALL PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 9,054	\$ 40,822	\$ 49,369	\$ 507
Bond and Interest	27,893	27,623	27,893	27,623
Debt Reserve	9,539	2,762	2,043	10,258
Audit Account	493	270	763	-
Improvement	13,188	-	13,183	5
	<u>60,167</u>	<u>71,477</u>	<u>93,251</u>	<u>38,393</u>
Totals	<u>\$ 60,167</u>	<u>\$ 71,477</u>	<u>\$ 93,251</u>	<u>\$ 38,393</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Operating	\$ 507	\$ 31,512	\$ 28,049	\$ 3,970
Bond and Interest	27,623	27,353	27,623	27,353
Debt Reserve	10,258	4,719	-	14,977
Improvement	5	-	-	5
	<u>38,393</u>	<u>63,584</u>	<u>55,672</u>	<u>46,305</u>
Totals	<u>\$ 38,393</u>	<u>\$ 63,584</u>	<u>\$ 55,672</u>	<u>\$ 46,305</u>

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

ROCKFIELD 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 sewer services to the residents.

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.

ROCKFIELD REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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.

General infrastructure assets completed in the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Sewer District:	
Capital assets, not being depreciated:	
Land	\$ 30,165
Construction in progress	-
Buildings	650,570
Improvements other than buildings	<u>1,147,335</u>
Total Sewer District capital assets	<u>\$ 1,828,070</u>

ROCKFIELD REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Sewer District		
USDA Loan Payable	\$ 474,500	\$ 27,353

ROCKFIELD REGIONAL SEWER DISTRICT EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed or approved forms were not in use and alternate forms being used have not been approved by the State Board of Accounts:

Simplified Cash Journal - Municipal Sewage Utility, Form 323
Consumer's Ledger - Municipal Sewage Utility, Form 324

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

All governmental units are required by law to use the forms prescribed by this department; however, if it is desirable to use a different form or to have a prescribed form modified to conform for computer applications, a letter and three copies of the proposed form may be submitted to the State Board of Accounts for approval. No form should be printed and placed into use, other than a prescribed form, without prior approval. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

ANNUAL REPORT

The fund balances presented on the 2008 Special District Annual Report-1 (SDAR-1) were not correct and could not be verified to the nonprescribed ledger of receipts, disbursements, and ending balances. The SDAR-1 for 2009 was not prepared by the unit official.

IC 5-11-1-4 Sec. 4. states,

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

SEWAGE LATE FEES

Instances were noted when the District's Board of Trustees and Treasurer were not charged late payment fees on their sewage bills when paid late. Additionally, it was noted that late fees were not always added to a customer's account when paid late.

It is our audit position that the 10% penalty [on unpaid wastewater bills] specified in IC 36-9-23-31 should be assessed one time and one time only. Subsequent billings should not include additional assessments on this penalty. Similarly, unless specifically directed by statute, ordinance, or other legal directives, penalties on late fees for municipal utilities organized under IC 8-1.5 should be charged only one time. Future late charges should not include additional charges added to the penalties on late fees. (Cities and Towns Bulletin and Uniform Compliance Guidelines, March 2009)

ROCKFIELD REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2010, with Steven W. Goodrich, Treasurer. The official concurred with our findings.