

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

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



FILED
12/09/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Annabel Looker	01-01-08 to 02-18-08
	Rob Siedling	02-19-08 to 03-17-08
	Sandra Baker	03-18-08 to 12-31-10
Financial Clerk	Jane Klenke	01-01-08 to 12-31-10
President of the Board	Dennis Anness	01-01-08 to 02-18-08
	Michael Moor	02-19-08 to 12-31-08
	Ray Robinson	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE METAMORA REGIONAL
SEWER DISTRICT, FRANKLIN COUNTY, INDIANA

We have examined the financial information presented herein of the Metamora 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

September 22, 2010

METAMORA 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 51,590	\$ 169,067	\$ 180,961	\$ 39,696
Bond and Interest Sinking	-	79,991	69,765	10,226
Debt Service Reserve	-	13,000	-	13,000
Construction	54,435	52,500	93,736	13,199
Totals	<u>\$ 106,025</u>	<u>\$ 314,558</u>	<u>\$ 344,462</u>	<u>\$ 76,121</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Operating	\$ 39,696	\$ 161,802	\$ 189,817	\$ 11,681
Bond and Interest Sinking	10,226	78,785	70,175	18,836
Debt Service Reserve	13,000	13,000	-	26,000
Construction	13,199	-	3,336	9,863
Totals	<u>\$ 76,121</u>	<u>\$ 253,587</u>	<u>\$ 263,328</u>	<u>\$ 66,380</u>

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

METAMORA 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 services: wastewater collection and treatment.

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. Continuing Litigation

On September 10, 2008, the District filed a civil suit against Ronald and Herbert Halcomb seeking a judgment for the actual damages resulting from the neglect and/or intentional acts of the Halcombs, who on or about August 6, 2008, acting together, used a back hoe or other digging device and negligently, knowingly, intentionally, and maliciously dug up the Metamora Regional Sewer District line breaking the line in two places. The District asks for a judgment in an amount sufficient to compensate the District for their actual damages, court costs, legal fees, and for punitive damages in the amount of one million dollars (\$1,000,000.00) and for all other proper relief.

METAMORA REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 62,439
Buildings	14,500
Collection and treatment system	3,103,840
Office equipment	12,819
Miscellaneous equipment	<u>402</u>
Total business-type activities	<u>\$ 3,194,000</u>

METAMORA REGIONAL WASTE 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:		
Wastewater Utility:		
Revenue bonds:		
Rural Development #1	\$ 1,086,000	\$ 59,250
Rural Development #3	<u>191,000</u>	<u>10,313</u>
Total business-type activities debt	<u>\$ 1,277,000</u>	<u>\$ 69,563</u>

METAMORA REGIONAL SEWER DISTRICT
EXAMINATION RESULT AND COMMENT

BOARD MINUTES

Not all minutes of meetings of the governing body were available for examination. Board minutes for eight of twelve monthly meetings in 2008 and ten of twelve monthly meetings in 2009 were not available. All board minutes for 2010 were provided.

IC 5-14-1.5-4 states in part:

"(b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

METAMORA REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 22, 2010, with Sandra Baker, Treasurer, and Jane Klenke, Financial Clerk.