

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

EXAMINATION REPORT
OF
WESTERN WAYNE REGIONAL SEWAGE DISTRICT
WAYNE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/14/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Darlene A. Druley	01-01-08 to 12-31-10
Office Manager	Carolyn Willis	01-01-08 to 12-31-10
President of the Board	Terry L. Patterson	01-01-08 to 12-31-10
Treasurer	Garry Cornett Susie Dungan	01-01-08 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WESTERN WAYNE REGIONAL
SEWAGE DISTRICT, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of the Western Wayne Regional Sewage 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 29, 2010

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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
Governmental Funds:				
Operating	\$ 202,185	\$ 566,177	\$ 433,159	\$ 335,203
Depreciation	90,948	27,347	9,490	108,805
Reserve	104,118	104,895	114,467	94,546
System Rehabilitation	<u>42,993</u>	<u>30,344</u>	<u>60,005</u>	<u>13,332</u>
Totals	<u>\$ 440,244</u>	<u>\$ 728,763</u>	<u>\$ 617,121</u>	<u>\$ 551,886</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Operating	\$ 335,203	\$ 700,587	\$ 560,171	\$ 475,619
Depreciation	108,805	26,804	50,375	85,234
Reserve	94,546	115,639	112,788	97,397
System Rehabilitation	<u>13,332</u>	<u>71,363</u>	<u>30,300</u>	<u>54,395</u>
Totals	<u>\$ 551,886</u>	<u>\$ 914,393</u>	<u>\$ 753,634</u>	<u>\$ 712,645</u>

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

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
WAYNE COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides sanitary sewer services.

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 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.

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
WAYNE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

WESTERN WAYNE REGIONAL SEWAGE 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>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 185,230
Buildings	1,066,808
Improvements other than buildings	4,966,870
Machinery and equipment	<u>1,868,756</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 8,087,664</u>

WESTERN WAYNE REGIONAL SEWAGE 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	\$ 390,000	\$ 11,408

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
WAYNE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

There were several entries that were not recorded in the unit's ledger. In order to reconcile to the bank, the ending balances in the funds were changed to reflect the true balances of the funds. However, the missing entries were never entered in the ledger. As a result the unit's ledger had immaterial differences in receipts and disbursements compared to the unit's prepared annual report, which did reflect the entries.

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 Libraries, Chapter 4)

PRESCRIBED FORMS

The District reimbursed mileage expenses for use of personal vehicles without using Form 101 - Mileage Claim Form

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 12)

WESTERN WAYNE REGIONAL SEWAGE DISTRICT
WAYNE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2010, with Darlene A. Druley, Superintendent; Carolyn Willis, Office Manager; Terry L. Patterson, President of the Board; and Susie Dungan, Treasurer. The officials concurred with our findings.