

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
POSEY COUNTY, INDIANA
January 1, 2005 to December 31, 2011



FILED
01/04/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michele Motz	01-01-05 to 12-31-12
President of the Board	Mitch Luman	01-01-05 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WADESVILLE-BLAIRSVILLE REGIONAL
SEWER DISTRICT, POSEY COUNTY, INDIANA

We have examined the accompanying financial statements of the Wadesville-Blairsville Regional Sewer District (District), for the years ended December 31, 2005, 2006, 2007, 2008, 2009, 2010, and 2011. The financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the District for the years ended December 31, 2005, 2006, 2007, 2008, 2009, 2010, and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the District's management, Sewer Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

November 13, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2005

Fund	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
General	\$ -	\$ 125	\$ 25	\$ 100

The notes to the financial statements are an integral part of this statement.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2006

Fund	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
General	\$ 100	\$ 300	\$ 367	\$ 33

The notes to the financial statements are an integral part of this statement.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2007

Fund	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
General	\$ 33	-	\$ 2	\$ 31

The notes to the financial statements are an integral part of this statement.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2008

Fund	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
General	\$ 31	\$ -	\$ -	\$ 31

The notes to the financial statements are an integral part of this statement.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2009

Fund	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	<u>\$ 31</u>	<u>\$ 5,000</u>	<u>\$ 953</u>	<u>\$ 4,078</u>

The notes to the financial statements are an integral part of this statement.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	<u>\$ 4,078</u>	<u>\$ 5,000</u>	<u>\$ 1,406</u>	<u>\$ 7,672</u>

The notes to the financial statements are an integral part of this statement.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	<u>\$ 7,672</u>	<u>\$ 5,000</u>	<u>\$ 796</u>	<u>\$ 11,876</u>

The notes to the financial statements are an integral part of this statement.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statements present the financial information for the District.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The District may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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. Risk Management

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's 2009 and 2010 Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the District's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the District which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the District. It is presented as intended by the District.

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2005

	General
Cash and investments - beginning	\$ -
Receipts:	
Other receipts	125
Total receipts	125
Disbursements:	
Other disbursements	25
Total disbursements	25
Excess of receipts over disbursements	100
Cash and investments - ending	\$ 100

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2006

	General
Cash and investments - beginning	\$ 100
Receipts:	
Other receipts	300
Total receipts	300
Disbursements:	
Other disbursements	367
Total disbursements	367
Deficiency of receipts over disbursements	(67)
Cash and investments - ending	\$ 33

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2007

	General
Cash and investments - beginning	\$ 33
Receipts:	
Other receipts	-
Total receipts	-
Disbursements:	
Other disbursements	2
Total disbursements	2
Deficiency of receipts over disbursements	(2)
Cash and investments - ending	\$ 31

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2008

	General
Cash and investments - beginning	\$ 31
Receipts:	
Other receipts	-
Total receipts	-
Disbursements:	
Other disbursements	-
Total disbursements	-
Excess (deficiency) of receipts over disbursements	-
Cash and investments - ending	\$ 31

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General
Cash and investments - beginning	\$ 31
Receipts:	
Other receipts	5,000
Total receipts	5,000
Disbursements:	
Other disbursements	953
Total disbursements	953
Excess of receipts over disbursements	4,047
Cash and investments - ending	\$ 4,078

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General
Cash and investments - beginning	\$ 4,078
Receipts:	
Other receipts	5,000
Total receipts	5,000
Disbursements:	
Other disbursements	1,406
Total disbursements	1,406
Excess of receipts over disbursements	3,594
Cash and investments - ending	\$ 7,672

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General
Cash and investments - beginning	\$ <u>7,672</u>
Receipts:	
Other receipts	<u>5,000</u>
Total receipts	<u>5,000</u>
Disbursements:	
Supplies	182
Other services and charges	<u>614</u>
Total disbursements	<u>796</u>
Excess of receipts over disbursements	<u>4,204</u>
Cash and investments - ending	<u><u>\$ 11,876</u></u>

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Loans payable	Preliminary Engineer Report (paid by Posey County)	\$ 27,000	\$ -

WADESVILLE-BLAIRSVILLE REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2012, with Michele Motz, Treasurer, and Richard Maier, Secretary. Our examination disclosed no material items that warrant comment at this time.