

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
SUMMIT SPRINGS REGIONAL WASTE DISTRICT
HENRY COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
08/23/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jerry Sherwood	01-01-03 to 12-31-06
Treasurer	Sharon Jessup Amanda Sorrell	01-01-03 to 06-30-04 07-01-04 to 12-31-06
President of the Board	Vicki Stark Richard Youngs	01-01-03 to 06-30-04 07-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SUMMIT SPRINGS REGIONAL
WASTE DISTRICT, HENRY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Summit Springs Regional Waste District (District), for the period of January 1, 2003 to December 31, 2005. The District's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the District for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 11, 2006

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Proprietary Funds:				
Operating	\$ 23,218	\$ 164,098	\$ 184,037	\$ 3,279
Depreciation	16,920	2,500	8,165	11,255
SRF Construction	8,450	236,302	237,607	7,145
Debt Service - RECD	54,396	30,517	26,000	58,913
Totals	<u>\$ 102,984</u>	<u>\$ 433,417</u>	<u>\$ 455,809</u>	<u>\$ 80,592</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Proprietary Funds:				
Operating	\$ 3,279	\$ 176,614	\$ 158,960	\$ 20,933
Depreciation	11,255	10,975	22,230	-
SRF Construction	7,145	11,000	5,505	12,640
Debt Service - RECD	58,913	29,555	25,450	63,018
Totals	<u>\$ 80,592</u>	<u>\$ 228,144</u>	<u>\$ 212,145</u>	<u>\$ 96,591</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ 20,933	\$ 206,565	\$ 160,413	\$ 67,085
Depreciation	-	12,740	11,233	1,507
SRF Construction	12,640	25,226	37,866	-
Debt Service - RECD	63,018	27,778	25,900	64,896
Totals	<u>\$ 96,591</u>	<u>\$ 272,309</u>	<u>\$ 235,412</u>	<u>\$ 133,488</u>

The accompanying notes are an integral part of the schedules.

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides wastewater utility 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. Long-Term Debt

The District has entered into various debts such as a Rural Economic and Community Development (RECD) bond for extending sewer facilities, a State Revolving Fund (SRF) bond issue for sewer plant improvements. The outstanding principal of the RECD bond issue at December 31, 2005, was \$266,000. The outstanding principal of the SRF debt at December 31, 2005, was \$267,957.

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The District does not maintain sufficiently detailed records of capital assets for its Utility Plant in Service accounts. Records providing historical costs or estimated historical costs for some of the Utility's capital assets are not properly recorded. Records classifying and summarizing the Utility's capital assets are incomplete. Deletions or disposals of capital assets have not been properly recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 11, 2006, with Amanda Sorrell, Clerk-Treasurer; and Richard Youngs, President of the Board. The officials concurred with our finding.