

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

EXAMINATION REPORT
OF
SOUTH HENRY REGIONAL WASTE DISTRICT
HENRY COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/21/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5-6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jerry Libby	01-01-04 to 12-31-06
District Manager/Treasurer	Connie Stevens	01-01-04 to 12-31-06
President of the Board	David Spears Larry Protsman	01-01-04 to 07-13-04 07-14-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of the South Henry Regional Waste District (District), for the period of January 1, 2004 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, 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

August 22, 2006

SOUTH HENRY 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Proprietary Funds:				
Operating	\$ 523,628	\$ 678,305	\$ 711,340	\$ 490,593
Sinking	148,700	205,817	197,855	156,662
Depreciation	235,256	37,850	5,246	267,860
Debt Service	196,800	74,067	-	270,867
Construction	-	60,409	58,565	1,844
Totals	<u>\$ 1,104,384</u>	<u>\$ 1,056,448</u>	<u>\$ 973,006</u>	<u>\$ 1,187,826</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ 490,593	\$ 646,361	\$ 734,717	\$ 402,237
Sinking	156,662	206,960	198,651	164,971
Depreciation	267,860	36,141	6,963	297,038
Debt Service	270,867	10,642	-	281,509
Construction	1,844	112,738	66,301	48,281
Totals	<u>\$ 1,187,826</u>	<u>\$ 1,012,842</u>	<u>\$ 1,006,632</u>	<u>\$ 1,194,036</u>

The accompanying notes are an integral part of the schedules.

SOUTH HENRY 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 treatment services for the residents of the Dunreith, Lewisville, Spiceland, and Straughn communities.

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. Budgets

The operating budget is prepared and approved at the local level.

Note 4. 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 5. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. The district participates as part of Henry County's plan through an interlocal agreement. 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

SOUTH HENRY REGIONAL WASTE DISTRICT
NOTES TO SCHEDULES
(Continued)

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.

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.

Note 6. Long-Term Debt

The District has entered into debts such as bonds for capital improvements. The outstanding principal at December 31, 2005, was \$2,945,000.

SOUTH HENRY REGIONAL WASTE DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 22, 2006, with Connie Stevens, District Manager/Treasurer; and Larry Protsman, President of the Board. Our examination disclosed no material items that warrant comment at this time.