

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

EXAMINATION REPORT  
OF  
L & M REGIONAL WATER DISTRICT  
RANDOLPH COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
10/02/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Kevin Fisher	01-01-04 to 12-31-06
Treasurer	Mary Hale	01-01-04 to 12-31-06
President of the Board	Nancy Hall	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE L & M REGIONAL WATER DISTRICT, RANDOLPH COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the L & M Regional Water 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

September 6, 2006

L & M REGIONAL WATER DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY 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
Governmental Fund:				
Operating	\$ 28,423	\$ 74,110	\$ 62,275	\$ 40,258
Fiduciary Fund:				
Customer Deposits	<u>7,540</u>	<u>1,940</u>	<u>900</u>	<u>8,580</u>
Totals	<u>\$ 35,963</u>	<u>\$ 76,050</u>	<u>\$ 63,175</u>	<u>\$ 48,838</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Operating	\$ 40,258	\$ 91,297	\$ 127,431	\$ 4,124
Improvement	-	24,375	4,360	20,015
Debt Service Reserve	-	17,000	-	17,000
Bond and Interest	-	17,300	-	17,300
Fiduciary Fund:				
Customer Deposits	<u>8,580</u>	<u>1,670</u>	<u>1,450</u>	<u>8,800</u>
Totals	<u>\$ 48,838</u>	<u>\$ 151,642</u>	<u>\$ 133,241</u>	<u>\$ 67,239</u>

The accompanying notes are an integral part of the schedules.

L & M REGIONAL WATER DISTRICT  
NOTES TO SCHEDULES

Note 1. Introduction

The District was established by Randolph County under the laws of the State of Indiana. The District provides water services to its customers. The District's revenues are primarily from customer billings, and it does not levy taxes.

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 issued revenue bonds in 1979. The outstanding principal at December 31, 2005, was \$136,000.

L & M REGIONAL WATER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2006, with Mary Hale, Treasurer; and Nancy Hall, President of the Board. Our examination disclosed no material items that warrant comment at this time.