

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

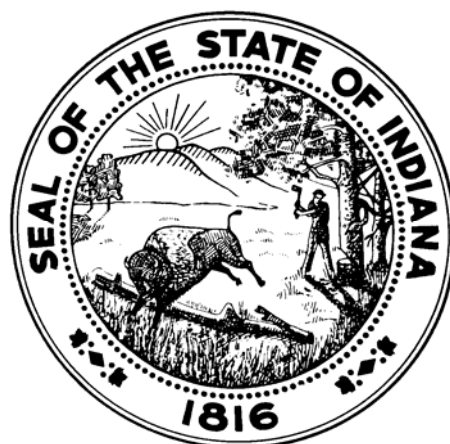
EXAMINATION REPORT

OF

JACKSON COUNTY REGIONAL SEWAGE DISTRICT

JACKSON COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

07/30/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Dan Robertson	01-01-05 to 12-31-07
Treasurer	Marvin Huffman	01-01-05 to 12-31-07
President of the Board of Trustees	Brian Wolka	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE JACKSON COUNTY REGIONAL
SEWAGE DISTRICT, JACKSON COUNTY, INDIANA

We have examined the financial information presented herein of the Jackson County Regional Sewage District (District), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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

June 13, 2007

JACKSON COUNTY REGIONAL SEWAGE DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ 15,185	\$ 405,695	\$ 391,436	\$ 29,444
Bond and Interest - South Seymour	4,932	28,985	28,900	5,017
Bond and Interest - Freetown	2,220	12,854	12,901	2,173
Bond and Interest - 2003 Bond	15,050	45,116	45,123	15,043
Depreciation	81,238	40,171	-	121,409
Debt Service Reserve - South Seymour	29,890	60	-	29,950
Debt Service Reserve - Freetown	12,942	26	-	12,968
Debt Service Reserve - 2003 Bond	46,008	-	2	46,006
Totals	<u>\$ 207,465</u>	<u>\$ 532,907</u>	<u>\$ 478,362</u>	<u>\$ 262,010</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Operating	\$ 29,444	\$ 400,119	\$ 416,710	\$ 12,853
Bond and Interest - South Seymour	5,017	29,333	29,250	5,100
Bond and Interest - Freetown	2,173	12,506	12,551	2,128
Bond and Interest - 2003 Bond	15,043	45,415	45,102	15,356
Depreciation	121,409	262	-	121,671
Debt Service Reserve - South Seymour	29,950	65	-	30,015
Debt Service Reserve - Freetown	12,968	29	-	12,997
Debt Service Reserve - 2003 Bond	46,006	2	-	46,008
Totals	<u>\$ 262,010</u>	<u>\$ 487,731</u>	<u>\$ 503,613</u>	<u>\$ 246,128</u>

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

JACKSON COUNTY REGIONAL SEWAGE DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the following services: wastewater treatment and general administrative 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.

JACKSON COUNTY REGIONAL SEWAGE DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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>Ending Balance</u>
Business-type activities:	
Capital assets, not being depreciated:	
Land	\$ 34,435
Improvements other than buildings	4,614,340
Machinery and equipment	94,469
Transportation Equipment	<u>33,216</u>
Total business-type activities capital assets	<u>\$ 4,776,460</u>

JACKSON COUNTY REGIONAL SEWAGE DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Asset	12-31-06 Balance	Due Within One Year
Business-type Activities:		
Revenue bonds:		
1977 Sewage works revenue bonds	111,000	7,000
1981 Sewage works revenue bonds	305,000	14,000
2003 Sewage works revenue bonds	<u>473,000</u>	<u>25,000</u>
Total business-type activities long-term debt:	<u>\$ 889,000</u>	<u>\$ 46,000</u>

JACKSON COUNTY REGIONAL SEWAGE DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on June 13, 2007, with Dan Robertson, Superintendent; and Rebecca Robertson, Clerk. Our report disclosed no material items that warrant comment at this time.