

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

EXAMINATION REPORT
OF
FALL CREEK REGIONAL WASTE DISTRICT
MADISON COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
10/11/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager	Joseph F. Rowlett	01-01-05 to 12-31-07
Office Manager	Teresa K. Hutton	01-01-05 to 12-31-07
Treasurer	Douglas S. McGee Edward Stergar Greg Valentine	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board	Morris E. McCurdy Mark A. Jablonski	01-01-05 to 12-31-05 01-01-06 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FALL CREEK REGIONAL WASTE DISTRICT, MADISON COUNTY, INDIANA

We have examined the financial information presented herein of the Fall Creek Regional Waste 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

August 23, 2007

FALL CREEK REGIONAL WASTE DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL PROPRIETARY AND FIDUCIARY 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:				
Wastewater Utility Operating	\$ 358,992	\$ 5,675,631	\$ 5,849,513	\$ 185,110
Wastewater Utility Bond and Interest	545,656	943,925	846,966	642,615
Wastewater Utility Preferred Liquidity	51,782	1,287	-	53,069
Wastewater Utility Improvement	269,978	27,363	-	297,341
Wastewater Utility Operating inv	488,787	362,634	114,443	736,978
Wastewater Utility Debt Service	1,210,063	33,650	21,551	1,222,162
Wastewater Utility Capacity Fees	1,214,454	992,387	47,075	2,159,766
Petty Cash	100	558	558	100
Cash Change	100	-	-	100
Fiduciary Fund:				
Payroll	-	791,616	791,616	-
Totals	<u>\$ 4,139,912</u>	<u>\$ 8,829,051</u>	<u>\$ 7,671,722</u>	<u>\$ 5,297,241</u>
	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Wastewater Utility Operating	\$ 185,110	\$ 5,980,270	\$ 5,863,730	\$ 301,650
Wastewater Utility Bond and Interest	642,615	963,403	943,170	662,848
Wastewater Utility Preferred Liquidity	53,069	2,192	-	55,261
Wastewater Utility Improvement	297,341	353,256	-	650,597
Wastewater Utility Operating inv	736,978	6,533	521,196	222,315
Wastewater Utility Debt Service	1,222,162	51,377	37,813	1,235,726
Wastewater Utility Capacity Fees	2,159,766	1,193,093	-	3,352,859
Petty Cash	100	193	193	100
Cash Change	100	-	-	100
Fiduciary Fund:				
Payroll	-	839,554	839,554	-
Totals	<u>\$ 5,297,241</u>	<u>\$ 9,389,871</u>	<u>\$ 8,205,656</u>	<u>\$ 6,481,456</u>

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

FALL CREEK REGIONAL WASTE 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: water treatment, 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. 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.

FALL CREEK REGIONAL WASTE DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. Option 1 The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 170,031
Construction in progress	411,560
Buildings	6,390,812
Improvements other than buildings	38,379,926
Transportation equipment	164,770
Machinery and equipment	<u>4,318,429</u>
Total Wastewater Utility capital assets	<u>\$ 49,835,528</u>

FALL CREEK REGIONAL WASTE DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

December 31, 2006

DEBT

The Waste District has entered into the following Debt arrangements:

Description of Asset	Ending Balance	Due Within One Year
Business-type Activities:		
Wastewater Utility:		
Revenue bonds:		
1997 Sewage Works Construction Bonds	\$ 220,000	\$ 10,000
2000 Series A Construction Bonds	5,720,000	205,000
2000 Series B Construction Bonds	3,095,000	100,000
2001 Refunding Bonds	<u>2,675,000</u>	<u>290,000</u>
Total Wastewater Utility	<u>\$ 11,710,000</u>	<u>\$ 605,000</u>

FALL CREEK REGIONAL WASTE DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2007, with Joseph F. Rowlett, General Manager; Teresa K. Hutton, Office Manager; and Mark A. Jablonski, President of the Board. Our examination disclosed no material items that warrant comment at this time.