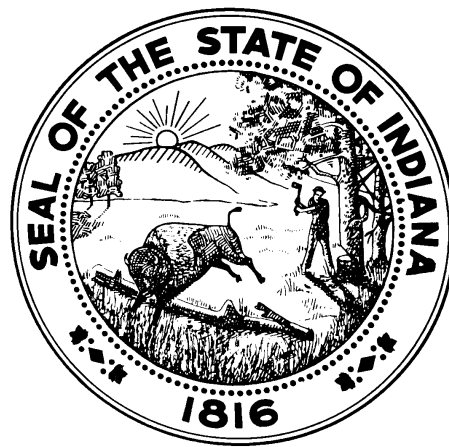


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF

JEFFERSON TOWNSHIP REGIONAL  
SEWER DISTRICT  
PIKE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
12/30/2008



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Schedule of Long-Term Debt .....	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Janet Gray	02-10-05 to 02-12-09
President of the Board	David Roach	02-10-05 to 02-12-09



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE JEFFERSON TOWNSHIP REGIONAL  
SEWER DISTRICT, PIKE COUNTY, INDIANA

We have examined the financial information presented herein of the Jefferson Township Regional Sewer District (District), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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

November 14, 2008

JEFFERSON TOWNSHIP REGIONAL  
SEWER DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL PROPRIETARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Operating	\$ 33,478	\$ 122,784	\$ 121,706	\$ 34,556
Improvement	151,674	-	25,000	126,674
Bond and Interest	48,261	32,119	33,903	46,477
Reserve	11,287	4,280	-	15,567
	<u>244,700</u>	<u>159,183</u>	<u>180,609</u>	<u>223,274</u>
Totals	<u>\$ 244,700</u>	<u>\$ 159,183</u>	<u>\$ 180,609</u>	<u>\$ 223,274</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 34,556	\$ 107,761	\$ 110,682	\$ 31,635
Improvement	126,674	-	15,000	111,674
Bond and Interest	46,477	32,859	32,725	46,611
Reserve	15,567	2,816	-	18,383
	<u>223,274</u>	<u>143,436</u>	<u>158,407</u>	<u>208,303</u>
Totals	<u>\$ 223,274</u>	<u>\$ 143,436</u>	<u>\$ 158,407</u>	<u>\$ 208,303</u>

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

JEFFERSON TOWNSHIP REGIONAL  
SEWER 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: collection, treatment and disposal of sewage.

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.

Jefferson Township Regional Sewer District  
PO Box 86  
2055 N State Road 257  
Otwell, Indiana 47564  
812-354-2256

JEFFERSON TOWNSHIP REGIONAL SEWER DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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 completed in the current and prior years have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Sewer District:	
Capital assets, not being depreciated:	
Land	\$ 55,214
Improvements	1,580,932
Machinery and equipment	<u>78,055</u>
Total Sewer District capital assets	<u>\$ 1,714,201</u>

Jefferson Township Regional Sewer District  
 PO Box 86  
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 812-354-2256

JEFFERSON TOWNSHIP REGIONAL SEWER DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Unitttype has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Sewer District		
Revenue bonds:		
Construction of Sewage Lines, Pumping Stations and Lagoon Treatment Systems	365,000	23,269
 Total business-type activities debt:	\$ 365,000	\$ 23,269

JEFFERSON TOWNSHIP REGIONAL  
SEWER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on November 14, 2008, with Rita M. Hollis, Office Manager; and on November 14, 2008, by phone, with Janet Gray, Treasurer. Our examination disclosed no material items that warrant comment at this time.