

**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, 2007 to December 31, 2009



**FILED**  
12/01/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Dan Robertson	01-01-07 to 12-31-10
Treasurer	Marvin Huffman	01-01-07 to 12-31-10
President of the Board of Trustees	Brian Wolka	01-01-07 to 12-31-10



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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, 2007 to December 31, 2009. 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, 2007, 2008 and 2009, 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

September 8, 2010

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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 12,853	\$ 410,854	\$ 393,168	\$ 30,539
Bond and Interest - South Seymour	5,100	29,927	29,558	5,469
Bond and Interest - Freetown	2,128	12,346	12,208	2,266
Bond and Interest - 2003 Bond	15,356	46,766	46,040	16,082
Depreciation	121,671	28,206	-	149,877
Debt Service Reserve - South Seymour	30,015	792	-	30,807
Debt Service Reserve - Freetown	12,997	278	-	13,275
Debt Service Reserve - 2003 Bond	46,008	1,197	-	47,205
Totals	<u>\$ 246,128</u>	<u>\$ 530,366</u>	<u>\$ 480,974</u>	<u>\$ 295,520</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 30,539	\$ 447,933	\$ 462,847	\$ 15,625
Bond and Interest - South Seymour	5,469	29,805	29,800	5,474
Bond and Interest - Freetown	2,266	12,831	12,850	2,247
Bond and Interest - 2003 Bond	16,082	46,498	45,892	16,688
Depreciation	149,877	12,648	65,000	97,525
Debt Service Reserve - South Seymour	30,807	669	-	31,476
Debt Service Reserve - Freetown	13,275	218	-	13,493
Debt Service Reserve - 2003 Bond	47,205	1,025	-	48,230
Totals	<u>\$ 295,520</u>	<u>\$ 551,627</u>	<u>\$ 616,389</u>	<u>\$ 230,758</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Operating	\$ 15,625	\$ 431,687	\$ 430,192	\$ 17,120
Bond and Interest - South Seymour	5,474	29,484	29,000	5,958
Bond and Interest - Freetown	2,247	12,606	12,458	2,395
Bond and Interest - 2003 Bond	16,688	46,127	45,703	17,112
Depreciation	97,525	726	20,000	78,251
Debt Service Reserve - South Seymour	31,476	153	-	31,629
Debt Service Reserve - Freetown	13,493	39	-	13,532
Debt Service Reserve - 2003 Bond	48,230	234	-	48,464
Totals	<u>\$ 230,758</u>	<u>\$ 521,056</u>	<u>\$ 537,353</u>	<u>\$ 214,461</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, 2009

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>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 34,435
Improvements other than buildings	4,614,340
Machinery and equipment	94,469
Transportation equipment	<u>83,391</u>
 Total business-type activities capital assets	 <u>\$ 4,826,635</u>

JACKSON COUNTY REGIONAL SEWAGE DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The District entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activity:		
Wastewater Utility:		
Revenue bonds:		
1977 Sewage works revenue bonds	\$ 81,000	\$ 12,600
1981 Sewage works revenue bonds	244,000	29,200
2003 Sewage works revenue bonds	<u>364,000</u>	<u>45,470</u>
Total business-type activity debt	<u>\$ 689,000</u>	<u>\$ 87,270</u>

JACKSON COUNTY REGIONAL SEWAGE DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2010, with Dan Robertson, Superintendent, and Rebecca Robertson, Clerk. Our examination disclosed no material items that warrant comment at this time.