

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

EXAMINATION REPORT
OF
BEAR HIGH WOLF LAKE REGIONAL SEWER DISTRICT
NOBLE COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
04/03/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Linda Kiester	01-01-05 to 12-31-07
Treasurer	John Smead, Jr.	01-01-05 to 12-31-07
President of the Board of Trustees	David Hawn	01-01-05 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BEAR HIGH WOLF LAKE REGIONAL
SEWER DISTRICT, NOBLE COUNTY, INDIANA

We have examined the financial information presented herein of the Bear High Wolf Lake Regional Sewer 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 the Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part 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

March 15, 2007

BEAR HIGH WOLF LAKE 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ 39,524	\$ 213,064	\$ 96,887	\$ 155,701
Construction Fund	661	121,973	122,634	-
Bond and Interest Fund	200,898	-	150,053	50,845
Reserve	-	41,591	-	41,591
Improvement	-	24,394	-	24,394
Totals	<u>\$ 241,083</u>	<u>\$ 401,022</u>	<u>\$ 369,574</u>	<u>\$ 272,531</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Operating	\$ 155,701	\$ 212,228	\$ 217,199	\$ 150,730
Bond and Interest Fund	50,845	84,880	84,284	51,441
Reserve	41,591	6,761	-	48,352
Improvement	24,394	-	-	24,394
Totals	<u>\$ 272,531</u>	<u>\$ 303,869</u>	<u>\$ 301,483</u>	<u>\$ 274,917</u>

The accompanying notes are an integral part of the schedules.

BEAR HIGH WOLF LAKE 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 service: wastewater removal services to unincorporated areas around Bear, High and Wolf Lakes in Noble County.

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.

BEAR HIGH WOLF LAKE REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For the Year Ended December 31, 2006

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Capital assets, not being depreciated:	
Land	\$ 2,125
Buildings	67,970
Improvements other than buildings	4,016,459
Machinery and equipment	7,800
 Total business-type activities capital assets	 \$ 4,094,354

BEAR, HIGH, WOLF LAKE REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

The Unitttype has entered into the following long-term debt:

Description of Asset	Ending Balance	Due Within One Year
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
2001 Construction of plant and treatment lines	\$ 969,000	\$ 13,000
2003 Plant improvements	439,000	5,000
Total business-type activities long-term debt:	\$ 1,408,000	\$ 18,000

BEAR HIGH WOLF LAKE REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on March 15, 2007, with Linda Kiester, Financial Clerk; and David Hawn, President of the Board of Trustees. Our examination disclosed no material items that warrant comment at this time.