

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

EXAMINATION REPORT
OF
HELMSBURG REGIONAL SEWER DISTRICT
BROWN COUNTY, INDIANA
January 1, 2001 to December 31, 2005



FILED
07/10/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Capital Asset Records	6
Sales Tax	6
Errors on Claims	6-7
Prescribed Forms	7
Exit Conference	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Sharon Rivenbark	01-01-01 to 12-31-06
Treasurer	Harrietta Weddle	01-01-01 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE HELMSBURG REGIONAL SEWER DISTRICT, BROWN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Helmsburg Regional Sewer District, for the period of January 1, 2001 to December 31, 2005. The District's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the District for the years ended December 31, 2001, 2002, 2003, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 5, 2006

HELMSBURG REGINAL SEWER DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Year Ended December 31, 2001, 2002, 2003, 2004 And 2005

	Cash and Investments 01-01-01	Receipts	Disbursements	Cash and Investments 12-31-01
Governmental Fund: Operating	<u>\$ 705</u>	<u>\$ 22,508</u>	<u>\$ 20,668</u>	<u>\$ 2,545</u>
	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Fund: Operating	<u>\$ 2,545</u>	<u>\$ 41,265</u>	<u>\$ 33,163</u>	<u>\$ 10,647</u>
	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Fund: Operating	<u>\$ 10,647</u>	<u>\$ 99,464</u>	<u>\$ 106,439</u>	<u>\$ 3,672</u>
	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Fund: Operating	<u>\$ 3,672</u>	<u>\$ 63,936</u>	<u>\$ 62,742</u>	<u>\$ 4,866</u>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Fund: Operating	<u>\$ 4,866</u>	<u>\$ 48,769</u>	<u>\$ 53,054</u>	<u>\$ 581</u>

The accompanying notes are an integral part of the schedules.

HELMSBURG REGIONAL SEWER DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides wastewater treatment service.

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.

HELMSBURG REGIONAL SEWER DISTRICT EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Utility records capital asset additions, but disposals are not being recorded. When the Utility disposes of a capital asset, the cost of the asset and the related accumulated depreciation should also be recorded as deletions.

Information provided for audit did not indicate an inventory had been taken or a record of fixed assets was maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SALES TAX

We noted instances where sales tax was paid on some purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ERRORS ON CLAIMS

The following deficiencies were noted in our review of claims during the audit period:

- (1) Claims were not prepared for some disbursements.
- (2) Some claims were not adequately itemized.
- (3) All claims did not have board approval.
- (4) Some claims or invoices were not accompanied by evidence in support of the receipt of goods or services.

One claim to Sherry Labs had no supporting documentation.

HELMSBURG REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

PRESCRIBED FORMS

The claims form was the only prescribed form in use. The remaining forms were neither prescribed or approved.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

HELMSBURG REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 20, 2006, with Larry T. Lopshire, Accountant.
The official concurred with our findings.