

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

EXAMINATION REPORT

OF

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT

JENNINGS COUNTY, INDIANA

January 1, 2004 to December 31, 2004



FILED

09/25/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board	Wilma Hudson	01-01-04 to 03-09-06
	Vacant	03-10-06 to 04-10-06
	Robert Leahigh	04-11-06 to 02-19-07
	Daniel Norris	02-19-07 to 12-31-07
Treasurer	Ophelia Tunstill	01-01-04 to 04-04-05
	Chad Pittman	04-05-05 to 08-15-05
	Wilma Hudson	08-16-05 to 04-10-06
	James Shinolt	04-11-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CAMPBELL TOWNSHIP REGIONAL
SEWER DISTRICT, JENNINGS COUNTY, INDIANA

We were engaged to examine the financial information of the Campbell Township Regional Sewer District (Sewer District), for the period January 1, 2004 to December 31, 2004. The District's management is responsible for the financial information presented herein.

The District was unable to present supporting documentation for disbursements in the form of invoices.

Because of the restrictions as discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on whether the financial information referred to above presents fairly, in all material respects, the cash activity of the Sewer District for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 30, 2007

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 PROPRIETARY FUND
 As Of And For The Year Ended December 31, 2004

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Proprietary Fund: General	<u>\$ 3,888</u>	<u>\$ -</u>	<u>\$ 1,366</u>	<u>\$ 2,522</u>

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

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana to provide sanitary sewer collection 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.

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following is a description of deficiencies related to recordkeeping for the funds.

1. No bank statements and canceled checks were presented for examination. Bank statements and canceled checks had to be obtained directly from the bank.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

2. Required disbursement procedures were not followed as described below:
 - a. Accounts payable vouchers were not used.
 - b. Six payments in the total of \$1,307 were not itemized and were not supported by invoices.
 - c. No evidence of board approval of payments was presented for examination.
 - d. Invoices did not reflect evidence in support of the receipt of goods or services.

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."

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

"(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."

Accounting records and other public records must be maintained in a manner that will support accurate financial statements. Anything other than an unqualified opinion on the Independent Auditors' Report on the financial statements may have adverse financial consequences with the possibility of an increase in interest rate cost to the taxpayers of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PRESCRIBED FORMS

The following prescribed forms were not in use:

1. Check (General Form 353)
2. Municipal Sewage Utility Accounts Payable Voucher (Form 301S)

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 Special Districts, Chapter 10)

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 30, 2007, with Daniel Norris, President of the Board; and James Shinolt, Treasurer. The officials concurred with our findings.