

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

EXAMINATION REPORT

OF

ANDERSON TOWNSHIP REGIONAL SEWER DISTRICT

RUSH COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
01/16/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Assistant Treasurer/Bookkeeper	Veronica Roberts Sheila Flath	01-01-06 to 02-27-08 02-28-08 to 12-31-08
Treasurer	Chris Philpot Craig Duncan	01-01-06 to 07-05-07 07-06-07 to 12-31-08
President of the Board	Craig Solmon	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ANDERSON TOWNSHIP REGIONAL  
SEWER DISTRICT, RUSH COUNTY, INDIANA

We have examined the financial information presented herein of Anderson 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 Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 22, 2008

ANDERSON 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:				
Water Utility - Operating	\$ 223,664	\$ 97,293	\$ 125,012	\$ 195,945
Water Utility - Bond and Interest	-	10,000	10,000	-
Water Utility - Debt Service Reserve	6,000	2,000	-	8,000
Water Utility - Customer Deposit	6,850	1,900	1,550	7,200
Wastewater Utility - Operating	109,331	105,049	75,382	138,998
Wastewater Utility - Bond and Interest	-	15,000	15,000	-
Wastewater Utility - Debt Service Reserve	9,000	3,000	-	12,000
Totals	<u>\$ 354,845</u>	<u>\$ 234,242</u>	<u>\$ 226,944</u>	<u>\$ 362,143</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Water Utility - Operating	\$ 195,945	\$ 102,747	\$ 78,446	\$ 220,246
Water Utility - Bond and Interest	-	10,000	10,000	-
Water Utility - Depreciation	8,000	2,000	-	10,000
Water Utility - Customer Deposit	7,200	1,700	1,305	7,595
Wastewater Utility - Operating	138,998	83,567	69,745	152,820
Wastewater Utility - Bond and Interest	-	15,000	15,000	-
Wastewater Utility - Debt Service Reserve	12,000	3,000	-	15,000
Totals	<u>\$ 362,143</u>	<u>\$ 218,014</u>	<u>\$ 174,496</u>	<u>\$ 405,661</u>

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

ANDERSON 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 water and wastewater utility 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.

Note 4. Long-Term Debt

The District has issued revenue bonds to finance the cost of construction of certain additions, extensions, and improvements to the Water Utility and the Wastewater Utility. The outstanding principal at December 31, 2007, was \$150,000 and \$225,000, respectively.

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

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Water Utility		
Revenue bonds:		
Additions, extentions and improvements	\$ 150,000	\$ 10,000
Wastewater Utility		
Revenue bonds:		
Additions, extensions and improvements	<u>225,000</u>	<u>15,000</u>
Total business-type activities debt:	<u>\$ 375,000</u>	<u>\$ 25,000</u>

ANDERSON TOWNSHIP REGIONAL SEWER DISTRICT  
EXAMINATION RESULTS AND COMMENTS

PAYROLL DEDUCTIONS

We noted payments to board members were made without payroll deductions for taxes.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Page 10-10)

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Christopher R. Philpot, Treasurer, Term 10-09-05 to 10-09-06  
Christopher R. Philpot, Treasurer, Term 10-10-06 to 10-10-07  
Craig Duncan, Treasurer, Term 10-10-07 to 10-10-08

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

SEWAGE UTILITY RATE

The District raised the sewage utility rate in July 2006 without an ordinance as required by Indiana Code 13-26-11.

The board shall, by ordinance, establish just and equitable rates or charges for the use of and the service provided by a works. (IC 13-26-11-8; Accounting and Uniform Compliance Guidelines Manual for Special Districts, Page 2-9)

Also, Indiana Code 13-26-11-14(b) states in part: ". . . a change or readjustment of the rates or charges may be made in the same manner as the rates or charges were originally established."

CAPITAL ASSET RECORDS

The Utilities do not maintain sufficient detailed records of capital assets for Utility Plant in Service accounts.

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. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Page 16-22)

ANDERSON TOWNSHIP REGIONAL SEWER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on December 22, 2008, with Craig Solmon, President of the Board; Craig Duncan, Treasurer; Joe Christmas, Utility Superintendent; Sheila Flath, Assistant Treasurer/Bookkeeper; and Janet Christmas, Office Assistant.