

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, 2007 to December 31, 2009



FILED
01/03/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James B. Shinolt Kimberly D. LaFollette	01-01-07 to 02-09-10 02-10-10 to 12-31-10
President of the Board	Daniel Norris Mike Hines	01-01-07 to 10-02-07 10-03-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Campbell Township Regional Sewer 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

October 21, 2010

CAMPBELL 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, 2007, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 4,497	\$ 304,618	\$ 287,372	\$ 21,743
Bond and Interest	-	23,879	12,202	11,677
Debt Reserve	-	23,415	-	23,415
Construction	6,819	600,922	607,741	-
Totals	<u>\$ 11,316</u>	<u>\$ 952,834</u>	<u>\$ 907,315</u>	<u>\$ 56,835</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 21,743	\$ 85,103	\$ 87,418	\$ 19,428
Bond and Interest	11,677	70,562	56,931	25,308
Debt Reserve	23,415	381	-	23,796
Totals	<u>\$ 56,835</u>	<u>\$ 156,046</u>	<u>\$ 144,349</u>	<u>\$ 68,532</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Operating	\$ 19,428	\$ 88,705	\$ 85,679	\$ 22,454
Bond and Interest	25,308	50,258	50,257	25,309
Debt Reserve	23,796	1	-	23,797
Totals	<u>\$ 68,532</u>	<u>\$ 138,964</u>	<u>\$ 135,936</u>	<u>\$ 71,560</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.

Note 4. Operating Fund Receipts and Disbursements for the Year 2007

The Operating Fund's receipts and disbursements for the year 2007 include a \$250,344 federal grant used by the District for construction expenditures. The federal grant does not represent a continued source of funding to the Operating Fund.

CAMPBELL TOWNSHIP REGIONAL SEWER 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>
Wastewater Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	<u>\$ 1,924,011</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Wastewater Utility: Revenue bonds: 2005 State Revolving Fund	\$ 768,000	\$ 50,592

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT NOT FILED

The 2009 Special District Annual Report (SDAR) that reports the financial activity and cash and investment balances was not filed with the Indiana State Board of Accounts.

IC 5-11-1-4 states in part:

"The state examiner shall require from every . . . local governmental unit . . . financial reports covering the full period of each fiscal year. These reports shall be . . . filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner . . ."

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 1)

DISBURSEMENT PROCEDURES

The following deficiencies were noted on claims during the examination period:

- (1) Claims or invoices did not always have evidence to support receipt of goods or services.
- (2) Fiscal officer did not certify that invoice or bill was true and correct.

IC 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."

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2010, with Kimberly D. LaFollette, Treasurer; James B. Shinolt, former Treasurer; and Mike Hines, President of the Board.