

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

AUDIT REPORT
OF

EASTERN BARTHOLOMEW REGIONAL
SEWER DISTRICT
BARTHOLOMEW COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
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TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Auditor's Report.....	3
Statement of Net Assets.....	4
Statement of Revenues, Expenses and Changes in Fund Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-13
Exit Conference.....	14

OFFICIALS

Office

Official

Term

Treasurer

Ralph Martin
Jon Gerhing

01-01-03 to 12-31-05
01-01-06 to 12-31-07

President of the Utility Service Board

Ted Ogle

01-01-03 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE EASTERN BARTHOLOMEW REGIONAL
SEWER DISTRICT, BARTHOLOMEW COUNTY, INDIANA

We have audited the accompanying financial statements of the business-type activities of the Eastern Bartholomew Regional Sewer District (District), as of and for the years ended December 31, 2003, 2004, and 2005. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the District as of December 31, 2003, 2004, and 2005, and the respective changes in financial position and cash flows, where applicable, thereof and for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The District has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined are necessary to supplement, although not required to be part of, the basic financial statements.

STATE BOARD OF ACCOUNTS

March 5, 2007

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
STATEMENT OF NET ASSETS
December 31, 2003, 2004, And 2005

	2003	2004	2005
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 11,336	\$ 50,139	\$ 94,004
Interest receivable	1,144	796	1,521
Accounts receivable (net of allowance)	47,089	66,239	75,018
Notes receivable	-	6,203	5,989
Prepaid items	1,153	1,548	1,243
Total current assets	60,722	124,925	177,775
Noncurrent assets:			
Restricted cash, cash equivalents and investments:			
Bond reserve investments	32,732	32,732	37,288
Sewage works improvement cash and cash equivalents	29,037	55,107	91,709
Sewage works improvement investments	75,000	50,000	50,000
Bond and interest sinking cash and cash equivalents	-	968	19,347
Bond reserve cash and cash equivalents	-	-	9,112
Construction cash and cash equivalents	-	-	563,184
Construction investments	-	-	280,000
Total restricted assets	136,769	138,807	1,050,640
Deferred charges	7,305	14,759	25,624
Capital assets:			
Land, improvements to land and construction in progress	73,688	89,333	134,093
Other capital assets (net of accumulated depreciation)	1,799,143	1,750,421	1,716,433
Total capital assets	1,872,831	1,839,754	1,850,526
Total noncurrent assets	2,016,905	1,993,320	2,926,790
Total assets	2,077,627	2,118,245	3,104,565
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	-	26,700	5,537
Current liabilities payable from restricted assets:			
Revenue bonds payable	-	-	15,000
Accrued interest payable	-	968	4,347
Total current liabilities	-	27,668	24,884
Noncurrent liabilities:			
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	270,000	269,182	1,129,672
Total liabilities	270,000	296,850	1,154,556
<u>Net Assets</u>			
Invested in capital assets, net of related debt	1,602,831	1,570,572	1,509,267
Restricted for debt service	32,732	33,700	65,747
Restricted for construction	-	-	33,443
Restricted for improvements	104,037	105,107	141,709
Unrestricted	68,027	112,016	199,843
Total net assets	\$ 1,807,627	\$ 1,821,395	\$ 1,950,009

The notes to the financial statements are an integral part of this statement.

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN FUND NET ASSETS
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Operating revenues:			
Metered water revenue:			
Residential	\$ 171,162	\$ 211,726	\$ 273,328
Commercial	17,736	27,000	36,320
Industrial	1,239	2,844	4,175
Penalties	3,743	4,972	8,555
Other	598	5,055	1,964
	<u>194,478</u>	<u>251,597</u>	<u>324,342</u>
Total operating revenues			
Operating expenses:			
Collection operations:			
Material and supplies	181	616	-
Contract SVC/MGT	71	510	-
Pumping operations:			
Contingency-pump	1,195	3,408	682
Material and supplies maint/pump	6,802	13,328	3,485
Purchased power	8,741	10,147	11,299
Treatment and disposal operations:			
Purchases sewage treatment	77,791	74,605	76,157
Sludge removal expense	2,195	5,170	3,910
Customer accounts:			
Contingency-customer accounts	444	420	1,231
Meter readings	1,200	1,200	1,200
Bad debt expense	(109)	35	352
Sewer credit refund	15	-	231
Administrative and general:			
Contingency	124	-	-
Contract services/accounting	2,922	6,950	-
Contract services/mgt admin and gen	48,000	48,000	48,000
Contract services/eng	349	806	936
Contract services/legal	2,944	1,800	967
Bank charges	604	546	481
Property and liability insurance	1,733	1,644	2,169
Depreciation expense	53,972	54,123	54,122
	<u>209,174</u>	<u>223,308</u>	<u>205,222</u>
Total operating expenses			
Operating income (loss)	<u>(14,696)</u>	<u>28,289</u>	<u>119,120</u>
Nonoperating revenues (expenses):			
Interest on investments	2,335	2,032	33,509
Amortization of bond issue cost	(487)	(576)	(2,177)
Interest on long-term debt	(22,014)	(22,352)	(46,138)
	<u>(20,166)</u>	<u>(20,896)</u>	<u>(14,806)</u>
Total nonoperating expenses			
Income (loss) before contributions and transfers	(34,862)	7,393	104,314
Capital contributions	<u>7,375</u>	<u>6,375</u>	<u>24,300</u>
Change in net assets	(27,487)	13,768	128,614
Total net assets - beginning	<u>1,835,114</u>	<u>1,807,627</u>	<u>1,821,395</u>
Total net assets - ending	<u>\$ 1,807,627</u>	<u>\$ 1,821,395</u>	<u>\$ 1,950,009</u>

The notes to the financial statements are an integral part of this statement.

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 195,348	\$ 221,537	\$ 313,088
Payments to suppliers and contractors	(164,764)	(149,506)	(171,958)
Other receipts	<u>598</u>	<u>5,055</u>	<u>1,964</u>
Net cash provided by operating activities	<u>31,182</u>	<u>77,086</u>	<u>143,094</u>
Cash flows from capital and related financing activities:			
Proceeds from capital debt	-	-	900,000
Bond issue costs paid	-	-	(12,552)
Acquisition and construction of capital assets	(39,714)	(14,420)	(64,894)
Principal paid on capital debt	(16,000)	-	(25,000)
Interest paid on capital debt	(33,336)	(10,692)	(42,759)
Defeasance of bond	-	(19,540)	-
Capital contributions	<u>7,375</u>	<u>6,375</u>	<u>24,300</u>
Net cash provided (used) by capital and related financing activities	<u>(81,675)</u>	<u>(38,277)</u>	<u>779,095</u>
Cash flows from investing activities:			
Proceeds from sales and maturities of investments	108,840	107,732	198,116
Purchase of investments	(107,732)	(82,732)	(482,672)
Interest on Investments	<u>2,335</u>	<u>2,032</u>	<u>33,509</u>
Net cash provided (used) by investing activities	<u>3,443</u>	<u>27,032</u>	<u>(251,047)</u>
Net increase in cash and cash equivalents	(47,050)	65,841	671,142
Cash and cash equivalents, January 1	<u>87,423</u>	<u>40,373</u>	<u>106,214</u>
Cash and cash equivalents, December 31	<u>\$ 40,373</u>	<u>\$ 106,214</u>	<u>\$ 777,356</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	<u>\$ (14,696)</u>	<u>\$ 28,289</u>	<u>\$ 119,120</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	53,972	54,123	54,122
(Increase) decrease in assets:			
Accounts receivable	3,220	(12,514)	(8,992)
Accounts receivable-other	(694)	(6,636)	213
Notes receivable	-	(6,203)	214
Interest receivable	(1,058)	348	(725)
Prepaid items	4	(395)	305
Increase (decrease) in liabilities:			
Accounts payable	<u>(9,566)</u>	<u>20,074</u>	<u>(21,163)</u>
Total adjustments	<u>45,878</u>	<u>48,797</u>	<u>23,974</u>
Net cash provided by operating activities	<u>\$ 31,182</u>	<u>\$ 77,086</u>	<u>\$ 143,094</u>
Noncash investing, capital and financing activities:			
Construction of capital assets financed by accounts payable		\$ 6,626	\$ -

The notes to the financial statements are an integral part of this statement.

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The District (primary government) was established under the laws of the State of Indiana. The District operates under an elected Utility Service Board form of government and provides wastewater treatment service.

The accompanying financial statements present the activities of the District. There are no significant component units which require inclusion.

B. Fund Financial Statements

Business-type activity financial statements consist of the Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows. Business-type activities rely to a significant extent on fees and charges for support.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the business-type activity are maintained and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Open-end mutual funds are reported at fair value.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

3. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets balance sheet because their use is limited by bond covenants.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the financial statements.

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.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 500	Straight-line	20 to 75 years
Equipment	500	Straight-line	20 to 75 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the District during 2003, 2004, and 2005, was \$22,014, \$22,352, and \$46,138, respectively. None of those amounts were included as part of the cost of capital assets under construction.

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

II. Detailed Notes on All Funds

A. 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.

B. Capital Assets

Capital asset activity for the year ended December 31, 2003, 2004, and 2005, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
2003:				
Capital assets, not being depreciated:				
Land	\$ 68,833	\$ -	\$ -	\$ 68,833
Construction in progress	<u>-</u>	<u>39,714</u>	<u>34,860</u>	<u>4,854</u>
				-
Total capital assets, not being depreciated	<u>68,833</u>	<u>39,714</u>	<u>34,860</u>	<u>73,687</u>
Capital assets, being depreciated:				
Buildings and structures	1,961,889	34,860		1,996,749
Machinery and equipment	<u>506,878</u>	<u>-</u>	<u>-</u>	<u>506,878</u>
Totals	<u>2,468,767</u>	<u>34,860</u>	<u>-</u>	<u>2,503,627</u>
Less accumulated depreciation for:				
Buildings and structures	368,722	28,629		397,351
Machinery and equipment	<u>281,789</u>	<u>25,343</u>	<u>-</u>	<u>307,132</u>
Totals	<u>650,511</u>	<u>53,972</u>	<u>-</u>	<u>704,483</u>
Total capital assets, being depreciated, net	<u>1,818,256</u>	<u>(19,112)</u>	<u>-</u>	<u>1,799,144</u>
Total capital assets, net	<u>\$ 1,887,089</u>	<u>\$ 20,602</u>	<u>\$ 34,860</u>	<u>\$ 1,872,831</u>

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
2004:				
Capital assets, not being depreciated:				
Land	\$ 68,833	\$ -	\$ -	\$ 68,833
Construction in progress	<u>4,854</u>	<u>21,046</u>	<u>5,400</u>	<u>20,500</u>
				-
Total capital assets, not being depreciated	<u>73,687</u>	<u>21,046</u>	<u>5,400</u>	<u>89,333</u>
Capital assets, being depreciated:				
Buildings and structures	1,996,749	5,400		2,002,149
Machinery and equipment	<u>506,878</u>	<u>-</u>	<u>-</u>	<u>506,878</u>
Totals	<u>2,503,627</u>	<u>5,400</u>	<u>-</u>	<u>2,509,027</u>
Less accumulated depreciation for:				
Buildings and structures	397,351	28,778		426,129
Machinery and equipment	<u>307,132</u>	<u>25,345</u>	<u>-</u>	<u>332,477</u>
Totals	<u>704,483</u>	<u>54,123</u>	<u>-</u>	<u>758,606</u>
Total capital assets, being depreciated, net	<u>1,799,144</u>	<u>(48,723)</u>	<u>-</u>	<u>1,750,421</u>
Total capital assets, net	<u>\$ 1,872,831</u>	<u>\$ (27,677)</u>	<u>\$ 5,400</u>	<u>\$ 1,839,754</u>
2005:				
Capital assets, not being depreciated:				
Land	\$ 68,833	\$ -	\$ -	\$ 68,833
Construction in progress	<u>20,500</u>	<u>64,894</u>	<u>20,134</u>	<u>65,260</u>
				-
Total capital assets, not being depreciated	<u>89,333</u>	<u>64,894</u>	<u>20,134</u>	<u>134,093</u>
Capital assets, being depreciated:				
Buildings and structures	2,002,149	14,106		2,016,255
Machinery and equipment	<u>506,878</u>	<u>6,028</u>	<u>-</u>	<u>512,906</u>
Totals	<u>2,509,027</u>	<u>20,134</u>	<u>-</u>	<u>2,529,161</u>

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
2005 (continued):				
Less accumulated depreciation for:				
Buildings and structures	426,129	28,778		454,907
Machinery and equipment	332,477	25,344	-	357,821
 Totals	 758,606	 54,122	 -	 812,728
 Total capital assets, being depreciated, net	 1,750,421	 (33,988)	 -	 1,716,433
 Total capital assets, net	 <u>\$ 1,839,754</u>	 <u>\$ 30,906</u>	 <u>\$ 20,134</u>	 <u>\$ 1,850,526</u>

All depreciation expense was charged to the wastewater functions of the District.

C. Construction Commitments

Construction work in progress is composed of the following:

Project	Total Project Authorized	Expended to December 31, 2005	Committed	Required Future Funding
US 31 and SR 46 Pump Station and Force Main	\$ 584,852	\$ 47,648	\$ 537,204	\$ -
Hamor Heights	271,648	17,612	254,036	-
 Totals	 <u>\$ 856,500</u>	 <u>\$ 65,260</u>	 <u>\$ 791,240</u>	 <u>\$ -</u>

D. Long-Term Liabilities

1. Revenue Bonds

The District issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
2004 Sewage Refunding Bond	3.15 to 4.75%	\$ 276,000
2005 Eastern Bond	4.81%	598,000
2005 Hamor Heights Bond	4.81%	277,000
 Total		 <u>\$ 1,151,000</u>

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Revenue bonds debt service requirements to maturity are as follows:

Year Ended December 31	Revenue Bond	
	Principal	Interest
2006	\$ 45,000	\$ 51,747
2007	46,000	50,058
2008	47,000	48,094
2009	52,000	45,654
2010	53,000	44,596
2011-2015	304,000	193,290
2016-2020	349,000	120,020
2021-2025	255,000	43,050
Totals	<u>\$ 1,151,000</u>	<u>\$ 596,509</u>

2. Advance Refunding

On November 24, 2004, the Eastern Bartholomew Regional Sewer District issued \$276,000 in refunding revenue bonds with an average interest rate of 4% to advance refund \$270,000 of outstanding 1989 series bonds with an average interest rate of 7.63%. The net proceeds of \$261,153 (after payment of \$14,847 in issuance costs) and local contributions of \$19,539 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 series bond. As a result, this bond is considered to be defeased and the liability for this bond has been removed from the Balance Sheet. The refunding resulted in the accounting loss of \$6,859, which has been recognized on the Balance Sheet as Deferral of Loss on Refunding. This amount will be amortized using the straight line method and charged to interest expense over the next 14 years. The Eastern Bartholomew Regional Sewer District in effect decreased its aggregate debt service payment by \$96,734 over the next 14 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$70,777.

3. Changes in Long-Term Liabilities

Long-term liability activity for the years ended December 31, 2003, 2004, and 2005, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2003:					
Revenue bonds payable:					
1989 Bond	<u>\$ 278,000</u>	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 270,000</u>	<u>\$ -</u>
2004:					
Revenue bonds payable:					
1989 Bond	\$ 270,000	\$ -	\$ 270,000	\$ -	\$ -
2004 Sewage refunding bond	-	276,000	-	276,000	-
Less deferred amount on refunding	-	6,859	41	6,818	-
Total revenue bonds payable	<u>\$ 270,000</u>	<u>\$ 269,141</u>	<u>\$ 269,959</u>	<u>\$ 269,182</u>	<u>\$ -</u>

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2005:					
Revenue bonds payable:					
2004 Sewage refunding bond	\$ 276,000	\$ -	\$ -	\$ 276,000	\$ 15,000
2005 Eastern	-	615,000	17,000	598,000	-
2005 Hamor heights	-	285,000	8,000	277,000	-
Less deferred amount on refunding	<u>(6,818)</u>	<u>-</u>	<u>(490)</u>	<u>(6,328)</u>	<u>-</u>
Total revenue bonds payable	<u>\$ 269,182</u>	<u>\$ 900,000</u>	<u>\$ 24,510</u>	<u>\$ 1,144,672</u>	<u>\$ 15,000</u>

E. Restricted Assets

The balances of restricted asset accounts in the enterprise funds for December 31 are as follows:

Bond reserve investments	\$ 37,288
Sewage works improvement cash and cash equivalents	91,709
Sewage works improvement investments	50,000
Cash and cash equivalents	19,347
Bond reserve cash and cash equivalents	9,112
Construction cash and cash equivalents	563,184
Construction investments	<u>280,000</u>
 Total restricted assets	 <u>\$ 1,050,640</u>

III. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters.

The risks of theft of, damage to and destruction of assets and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Rate Structure

Wastewater Utility

The current rate structure was approved by the District on November 17, 2003, for a 13% rate increase from 2003 to 2004 and a 23% increase from 2004 to 2005. The prior rate structure was approved by the District on May 6, 1985. The Utility had 445, 451, and 447 customers for the years ended December 31, 2003, 2004, and 2005, respectively.

EASTERN BARTHOLOMEW REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The District contracts with Columbus City Utilities for recordkeeping services. The contents of this report were discussed on March 19, 2007, with the following Columbus City Utilities Officials: Dale Langferman, Manager of Finance/Business; and Constance Armstrong, Accountant. Our audit disclosed no material items that warrant comment at this time.