

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

EXAMINATION REPORT
OF
BIPPUS REGIONAL SEWER DISTRICT
HUNTINGTON COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
09/27/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jeffrey Rittenhouse Ed Inderlied	01-01-05 to 12-31-06 01-01-07 to 12-31-07
Financial Clerk	Linda Kiester	01-01-05 to 12-31-07
President of the Board	Jeffrey Rittenhouse	01-01-05 to 12-31-07



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BIPPUS REGIONAL SEWER DISTRICT, HUNTINGTON COUNTY, INDIANA

We have examined the financial information presented herein of Bippus Regional Sewer District (District), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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

August 8, 2007

BIPPUS 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Proprietary Funds:				
Operating	\$ 466	\$ 57,676	\$ 54,370	\$ 3,772
Bond and Interest	9,369	14,296	14,267	9,398
Reserve	4,313	1,438	-	5,751
Improvement	5,256	3,504	-	8,760
Totals	<u>\$ 19,404</u>	<u>\$ 76,914</u>	<u>\$ 68,637</u>	<u>\$ 27,681</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Operating	\$ 3,772	\$ 58,518	\$ 62,266	\$ 24
Bond and Interest	9,398	14,349	14,222	9,525
Reserve	5,751	1,437	-	7,188
Improvement	8,760	3,504	8,309	3,955
Totals	<u>\$ 27,681</u>	<u>\$ 77,808</u>	<u>\$ 84,797</u>	<u>\$ 20,692</u>

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

BIPPUS 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 wastewater treatment 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. Rate Structure

The current rate structure was approved by the District on November 8, 2004. The District has 95 customers.

BIPPUS REGIONAL SEWER DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

December 31, 2006

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:		
Bippus Regional Sewer District		
Revenue bonds:		
Wastewater treatment facility	<u>\$ 296,900</u>	<u>\$ 4,700</u>

BIPPUS REGIONAL SEWER DISTRICT
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The annual reports (SDAR-1) for 2005 and 2006 were not prepared.

Indiana Code 5-11-14 states: (a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. Except as provided by subsection (b), these reports shall be prepared, verified, and filed with the state examiner within thirty (30) days after the close of each fiscal year.

CAPITAL ASSET RECORDS

The District does not maintain capital asset records.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable 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, Chapter 10)

BIPPUS REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2007, with Linda Kiester, Financial Clerk; and Jeffrey Rittenhouse, President of the Board. The officials concurred with our findings.