

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

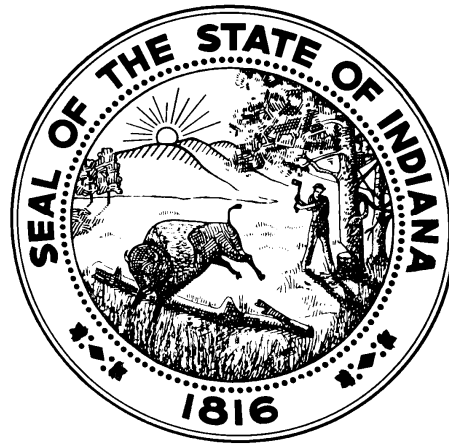
EXAMINATION REPORT

OF

ARLINGTON REGIONAL WATER AND SEWER DISTRICT

HUNTINGTON COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
05/15/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Scott Trauner	01-01-06 to 12-31-08
President of the District Board	Patricia G. Pickell Paul Hart	01-01-06 to 12-31-06 01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF ARLINGTON REGIONAL WATER AND  
SEWER DISTRICT, HUNTINGTON COUNTY, INDIANA

We have examined the financial information presented herein of Arlington Regional Water and 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

March 20, 2008

ARLINGTON REGIONAL WATER AND 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:				
Operating	\$ 3,387	\$ 50,410	\$ 41,102	\$ 12,695
Water Bond and Interest	3,007	14,184	13,630	3,561
Wastewater Bond and Interest	2,922	12,360	11,863	3,419
Water Debt Service Reserve	10,056	6,178	-	16,234
Wastewater Debt Service Reserve	8,290	4,562	-	12,852
Totals	<u>\$ 27,662</u>	<u>\$ 87,694</u>	<u>\$ 66,595</u>	<u>\$ 48,761</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 12,695	\$ 46,295	\$ 42,101	\$ 16,889
Water Bond and Interest	3,561	14,184	14,357	3,388
Wastewater Bond and Interest	3,419	12,360	11,617	4,162
Water Debt Service Reserve	16,234	6,177	-	22,411
Wastewater Debt Service Reserve	12,852	4,562	-	17,414
Totals	<u>\$ 48,761</u>	<u>\$ 83,578</u>	<u>\$ 68,075</u>	<u>\$ 64,264</u>

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

ARLINGTON REGIONAL WATER AND SEWER DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides general administrative 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.

ARLINGTON REGIONAL WATER AND 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
Proprietary Activities:		
Revenue bonds:		
Waterworks Revenue Bonds	\$ 155,000	\$ 3,023
Sewage Works Revenue Bonds	<u>131,000</u>	<u>2,686</u>
Total proprietary activities debt	<u>\$ 286,000</u>	<u>\$ 5,709</u>

ARLINGTON REGIONAL WATER AND SEWER DISTRICT  
EXAMINATION RESULT AND COMMENT

PRESCRIBED FORMS

The Arlington Regional Water and Sewer District does not use the following prescribed forms:

Form 352 Receipt  
Form 353 Check  
Form 354 Claim  
Form 358 Ledger of Receipts, Disbursements, and Balances

No forms used in lieu of any of these forms have been approved. The District does not issue any receipts or use claims forms. A similar comment appeared in prior Report B28206.

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 22)

ARLINGTON REGIONAL WATER AND SEWER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2008, with Scott Trauner, Treasurer. The official concurred with our finding.