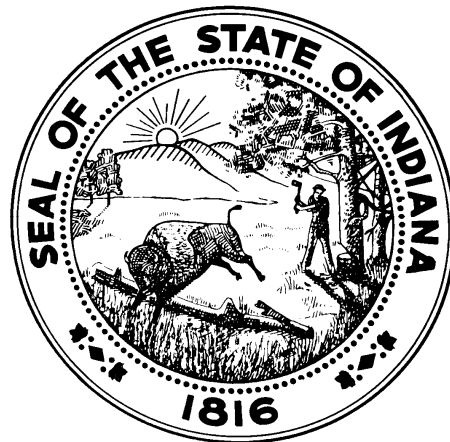


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF

ALLEN COUNTY REGIONAL  
WATER AND SEWER DISTRICT  
ALLEN COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
12/30/2008



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OFFICIALS

Office

Official

Term

Treasurer

Win F. Rood

01-01-06 to 12-31-08

President of the Board

Dan Lawrence  
Ric Zehr

01-01-06 to 12-31-07  
01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Allen County 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 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

December 2, 2008

ALLEN COUNTY REGIONAL WATER AND SEWER DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
PROPRIETARY FUND TYPE  
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	\$ 251,724	\$ 597,863	\$ 560,629	\$ 288,958
Bond and Interest	220,407	229,057	210,932	238,532
Construction	1,319	13	-	1,332
Seed Money	26,891	73,109	4,675	95,325
Improvement	62,600	29,820	-	92,420
Totals	<u>\$ 562,941</u>	<u>\$ 929,862</u>	<u>\$ 776,236</u>	<u>\$ 716,567</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 288,958	\$ 697,547	\$ 652,000	\$ 334,505
Bond and Interest	238,532	223,053	201,410	260,175
Construction	1,332	14	-	1,346
Seed Money	95,325	-	53,725	41,600
Improvement	92,420	14,200	100,000	6,620
Totals	<u>\$ 716,567</u>	<u>\$ 934,814</u>	<u>\$ 1,007,135</u>	<u>\$ 644,246</u>

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

ALLEN COUNTY 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 the following service: wastewater treatment.

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.

ALLEN COUNTY REGIONAL WATER AND SEWER DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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>
Business-type activities:	
Capital assets:	
Land	\$ 77,768
Buildings	12,018
Improvements other than buildings	5,064,771
Machinery and equipment	95,427
Construction in progress	<u>125,644</u>
Total business-type activities capital assets	<u>\$ 5,375,628</u>

ALLEN COUNTY 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
Business-type Activities:		
Revenue bonds:		
1997 Series B, Revenue and Refunding Revenue Bonds	\$ 215,000	\$ 26,205
2003 Sewage Works Revenue Bonds	695,000	59,890
2005 Series A, Revenue Bonds	<u>1,110,000</u>	<u>111,150</u>
Total business-type activities debt	<u>\$ 2,020,000</u>	<u>\$ 197,245</u>

ALLEN COUNTY REGIONAL WATER AND SEWER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on December 2, 2008, with Win F. Rood, Treasurer. Our examination disclosed no material items that warrant comment at this time.