

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

EXAMINATION REPORT
OF
TURKEY CREEK REGIONAL SEWER DISTRICT
KOSCIUSKO COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/30/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Schedule of Long-Term Debt	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Office Manager	Jane A. Fry	01-01-06 to 12-31-06
	Pamela M. Johns	01-01-07 to 12-31-08
Superintendent	Timothy Woodward	01-01-06 to 12-31-08
Treasurer	R. Douglas Grant	01-01-06 to 12-31-06
	Robert A. Dumford	01-01-07 to 06-16-07
	James M. Evans	06-17-07 to 12-31-08
President of the Board	Larry R. Clodfelter	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TURKEY CREEK REGIONAL
SEWER DISTRICT, KOSCIUSKO COUNTY, INDIANA

We have examined the financial information presented herein of the Turkey Creek Regional 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

October 21, 2008

TURKEY CREEK 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Proprietary Funds:				
Wastewater Utility:				
Operating	\$ 700,300	\$ 844,827	\$ 629,827	\$ 915,300
Bond and Interest	488,214	474,773	526,580	436,407
Improvement	149,516	26,194	102,409	73,301
Buttermilk Dedicated	35,713	1,266	-	36,979
Water Utility:				
Operating	67,505	54,141	53,360	68,286
Customer Security Deposit	4,529	950	429	5,050
Totals	<u>\$ 1,445,777</u>	<u>\$ 1,402,151</u>	<u>\$ 1,312,605</u>	<u>\$ 1,535,323</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Wastewater Utility:				
Operating	\$ 915,300	\$ 629,821	\$ 629,821	\$ 915,300
Bond and Interest	436,407	495,478	494,292	437,593
Improvement	73,301	174,515	18,466	229,350
Buttermilk Dedicated	36,979	1,359	-	38,338
Water Utility:				
Operating	68,286	57,280	84,556	41,010
Customer Security Deposit	5,050	300	150	5,200
Totals	<u>\$ 1,535,323</u>	<u>\$ 1,358,753</u>	<u>\$ 1,227,285</u>	<u>\$ 1,666,791</u>

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

TURKEY CREEK REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Turkey Creek Regional Sewer District (Sewer District) was established pursuant to Indiana Code 8-1-2-83. The Sewer District is governed by a Board of Trustees, and provides the following services: water distribution and wastewater removal.

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. Subsequent Event

The Wastewater Utility borrowed \$1,500,000 in 2005 in anticipation of issuing bonds. At the end of 2007, the loan was renewed for a two year period with an interest rate of 4%.

TURKEY CREEK REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As of 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:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 27,540
Buildings	232,805
Improvements other than buildings	242,616
Machinery and equipment	<u>149,996</u>
Total Water Utility capital assets	<u>652,957</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	199,444
Buildings	837,118
Improvements other than buildings	15,465,467
Transportation equipment	48,790
Machinery and equipment	<u>2,064,957</u>
Total Wastewater Utility capital assets	<u>18,615,776</u>
Total business-type activities capital assets	<u>\$ 19,268,733</u>

TURKEY CREEK REGIONAL SEWER DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Notes and loans payable:		
State Revolving Loan	\$ 2,561,022	\$ 198,905
Revenue bonds:		
Refunding Revenue Bonds of 2004	<u>755,000</u>	<u>230,383</u>
Total Wastewater Utility	<u>\$ 3,316,022</u>	<u>\$ 429,288</u>

TURKEY CREEK REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2008, with Larry R. Clodfelter, President of the Board; and Pamela M. Johns, Office Manager. Our examination disclosed no material items that warrant comment at this time.