

**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, 2007 to December 31, 2009



**FILED**  
12/28/2010



## 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
Examination Results and Comments:	
Annual Reports .....	8
Fees .....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ed Inderlied	01-01-07 to 12-31-10
Financial Clerk	Linda Kiester	01-01-07 to 12-31-10
President of the Board	Jeffrey Rittenhouse	01-01-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Bippus Regional Sewer District (District), for the period of January 1, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, 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 25, 2010

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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Proprietary Funds:				
Operating	\$ 24	\$ 58,692	\$ 51,048	\$ 7,668
Bond and Interest	9,525	14,297	14,273	9,549
Reserve	7,188	1,437	-	8,625
Improvement	3,955	-	-	3,955
Totals	<u>\$ 20,692</u>	<u>\$ 74,426</u>	<u>\$ 65,321</u>	<u>\$ 29,797</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Proprietary Funds:				
Operating	\$ 7,668	\$ 61,823	\$ 68,690	\$ 801
Bond and Interest	9,549	14,340	14,219	9,670
Reserve	8,625	1,438	-	10,063
Improvement	3,955	1,050	1,808	3,197
Totals	<u>\$ 29,797</u>	<u>\$ 78,651</u>	<u>\$ 84,717</u>	<u>\$ 23,731</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Proprietary Funds:				
Operating	\$ 801	\$ 65,679	\$ 62,334	\$ 4,146
Bond and Interest	9,670	14,278	14,259	9,689
Reserve	10,063	1,438	-	11,501
Improvement	3,197	-	3,167	30
Totals	<u>\$ 23,731</u>	<u>\$ 81,395</u>	<u>\$ 79,760</u>	<u>\$ 25,366</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 August 24, 2009. The District has 96 customers.

BIPPUS REGIONAL SEWER DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2009

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.

	Ending Balance
Business-type activities:	
Capital assets, not being depreciated:	
Land	\$ 9,300
Buildings	7,660
Improvements other than buildings	1,233,891
Machinery and equipment	30,224
 Total business-type activities, capital assets not being depreciated	 \$ 1,281,075

BIPPUS REGIONAL SEWER DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Revenue Bonds:		
Wastewater treatment facility	\$ 282,400	\$ 14,195

BIPPUS REGIONAL SEWER DISTRICT  
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORTS

The annual reports (SDAR-1) for 2007, 2008, and 2009, were not filed with the state examiner. A similar comment appeared in prior Report B30580.

IC 5-11-1-4 states:

"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. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

FEES

A \$25 administrative fee was being charged and collected on some delinquent sewer liens filed.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

IC 36-9-23-33(c) states in part:

". . . a service charge of five dollars (\$5), which is in addition to the recording fee charged under this subsection and under subsection (f), shall be added to each delinquent fee that is recorded."

BIPPUS REGIONAL SEWER DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2010, with Linda Kiester, Financial Clerk. The official concurred with our findings.