

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
JENNINGS COUNTY, INDIANA
January 1, 2010 to December 31, 2016



FILED
06/25/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James B. Shinolt	01-01-10 to 02-09-10
	Kimberly D. LaFollette	02-10-10 to 12-31-10
	(Vacant)	01-01-11 to 09-16-12
	Charlanne McHaley	09-17-12 to 12-31-18
President of the District Board	Mike Hines	01-01-10 to 12-31-10
	(Vacant)	01-01-11 to 09-16-12
	Chad Pittman	09-17-12 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CAMPBELL TOWNSHIP REGIONAL
SEWER DISTRICT, JENNINGS COUNTY, INDIANA

We have examined the accompanying financial statements of the Campbell Township Regional Sewer District (District), for the period of January 1, 2010 to December 31, 2016. The District's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.


As discussed in Note 1 to the financial statements, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above, do not present, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District for the period of January 1, 2010 to December 31, 2016.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

In our opinion, the financial statements referred to above present, in all material respects, the financial position and results of operations of the District for the period of January 1, 2010 to December 31, 2016, based on the prescribed basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

May 9, 2018

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the District. The financial statements and notes are presented as intended by the District.

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 22,454	\$ 98,298	\$ 79,402	\$ 41,350
Bond and Interest	25,309	93,733	93,912	25,130
Debt Reserve	<u>23,797</u>	<u>3,500</u>	<u>-</u>	<u>27,297</u>
Totals	<u>\$ 71,560</u>	<u>\$ 195,531</u>	<u>\$ 173,314</u>	<u>\$ 93,777</u>

The notes to the financial statements are an integral part of this statement.

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended December 31, 2011 and 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General Fund	\$ 41,350	\$ 102,467	\$ 77,044	\$ 66,773	\$ 91,717	\$ 69,320	\$ 89,170
Bond and Interest	25,130	50,257	56,541	18,846	50,257	43,612	25,491
Debt Reserve	<u>27,297</u>	<u>6,000</u>	<u>-</u>	<u>33,297</u>	<u>6,000</u>	<u>-</u>	<u>39,297</u>
Totals	<u>\$ 93,777</u>	<u>\$ 158,724</u>	<u>\$ 133,585</u>	<u>\$ 118,916</u>	<u>\$ 147,974</u>	<u>\$ 112,932</u>	<u>\$ 153,958</u>

The notes to the financial statements are an integral part of this statement.

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
General Fund	\$ 89,170	\$ 79,880	\$ 82,361	\$ 86,689	\$ 79,016	\$ 107,938	\$ 57,767
Bond and Interest	25,491	50,257	50,521	25,227	46,069	50,799	20,497
Debt Reserve	<u>39,297</u>	<u>6,001</u>	<u>-</u>	<u>45,298</u>	<u>5,500</u>	<u>-</u>	<u>50,798</u>
Totals	<u>\$ 153,958</u>	<u>\$ 136,138</u>	<u>\$ 132,882</u>	<u>\$ 157,214</u>	<u>\$ 130,585</u>	<u>\$ 158,737</u>	<u>\$ 129,062</u>

The notes to the financial statements are an integral part of this statement.

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended December 31, 2015 and 2016

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15	Receipts	Disbursements	Cash and Investments 12-31-16
General Fund	\$ 57,767	\$ 87,108	\$ 107,848	\$ 37,027	\$ 83,539	\$ 113,576	\$ 6,990
Bond and Interest	20,497	47,538	45,529	22,506	53,089	50,298	25,297
Debt Reserve	<u>50,798</u>	<u>1,500</u>	<u>-</u>	<u>52,298</u>	<u>82</u>	<u>-</u>	<u>52,380</u>
Totals	<u>\$ 129,062</u>	<u>\$ 136,146</u>	<u>\$ 153,377</u>	<u>\$ 111,831</u>	<u>\$ 136,710</u>	<u>\$ 163,874</u>	<u>\$ 84,666</u>

The notes to the financial statements are an integral part of this statement.

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under a governing board.

The accompanying financial statements present the financial information for the District.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Utility fees. Amounts received from charges for current services.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The District may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the District. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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.

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statutes authorize the District to invest in securities including, but not limited to, the following: 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 3. Risk Management

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

OTHER INFORMATION - UNEXAMINED

The District's Annual Financial Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

The District's Annual Financial Reports information for years 2011 and later can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the District's Annual Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The other information presented was approved by management of the District. It is presented as intended by the District.

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CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2010

	General Fund	Bond and Interest	Debt Reserve	Totals
Cash and investments - beginning	\$ 22,454	\$ 25,309	\$ 23,797	\$ 71,560
Receipts:				
Utility fees	98,298	-	-	98,298
Other receipts	-	93,733	3,500	97,233
Total receipts	<u>98,298</u>	<u>93,733</u>	<u>3,500</u>	<u>195,531</u>
Disbursements:				
Utility operating expenses	79,402	-	-	79,402
Other disbursements	-	93,912	-	93,912
Total disbursements	<u>79,402</u>	<u>93,912</u>	<u>-</u>	<u>173,314</u>
Excess (deficiency) of receipts over disbursements	<u>18,896</u>	<u>(179)</u>	<u>3,500</u>	<u>22,217</u>
Cash and investments - ending	<u>\$ 41,350</u>	<u>\$ 25,130</u>	<u>\$ 27,297</u>	<u>\$ 93,777</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	General Fund	Bond and Interest	Debt Reserve	Totals
Cash and investments - beginning	\$ 41,350	\$ 25,130	\$ 27,297	\$ 93,777
Receipts:				
Charges for services	102,467	-	-	102,467
Other receipts	-	50,257	6,000	56,257
Total receipts	<u>102,467</u>	<u>50,257</u>	<u>6,000</u>	<u>158,724</u>
Disbursements:				
Supplies	8,621	-	-	8,621
Other services and charges	12,166	-	-	12,166
Debt service - principal and interest	50,257	-	-	50,257
Other disbursements	6,000	56,541	-	62,541
Total disbursements	<u>77,044</u>	<u>56,541</u>	<u>-</u>	<u>133,585</u>
Excess (deficiency) of receipts over disbursements	<u>25,423</u>	<u>(6,284)</u>	<u>6,000</u>	<u>25,139</u>
Cash and investments - ending	<u>\$ 66,773</u>	<u>\$ 18,846</u>	<u>\$ 33,297</u>	<u>\$ 118,916</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	General Fund	Bond and Interest	Debt Reserve	Totals
Cash and investments - beginning	\$ 66,773	\$ 18,846	\$ 33,297	\$ 118,916
Receipts:				
Charges for services	91,717	-	-	91,717
Other receipts	-	50,257	6,000	56,257
Total receipts	<u>91,717</u>	<u>50,257</u>	<u>6,000</u>	<u>147,974</u>
Disbursements:				
Personal services	2,695	-	-	2,695
Supplies	3,003	-	-	3,003
Other services and charges	7,365	-	-	7,365
Debt service - principal and interest	56,257	-	-	56,257
Other disbursements	-	43,612	-	43,612
Total disbursements	<u>69,320</u>	<u>43,612</u>	<u>-</u>	<u>112,932</u>
Excess (deficiency) of receipts over disbursements	<u>22,397</u>	<u>6,645</u>	<u>6,000</u>	<u>35,042</u>
Cash and investments - ending	<u>\$ 89,170</u>	<u>\$ 25,491</u>	<u>\$ 39,297</u>	<u>\$ 153,958</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	General Fund	Bond and Interest	Debt Reserve	Totals
Cash and investments - beginning	\$ 89,170	\$ 25,491	\$ 39,297	\$ 153,958
Receipts:				
Charges for services	79,880	-	-	79,880
Other receipts	-	50,257	6,001	56,258
Total receipts	<u>79,880</u>	<u>50,257</u>	<u>6,001</u>	<u>136,138</u>
Disbursements:				
Supplies	2,041	-	-	2,041
Other services and charges	24,063	-	-	24,063
Debt service - principal and interest	56,257	-	-	56,257
Other disbursements	-	50,521	-	50,521
Total disbursements	<u>82,361</u>	<u>50,521</u>	<u>-</u>	<u>132,882</u>
Excess (deficiency) of receipts over disbursements	<u>(2,481)</u>	<u>(264)</u>	<u>6,001</u>	<u>3,256</u>
Cash and investments - ending	<u>\$ 86,689</u>	<u>\$ 25,227</u>	<u>\$ 45,298</u>	<u>\$ 157,214</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	General Fund	Bond and Interest	Debt Reserve	Totals
Cash and investments - beginning	\$ 86,689	\$ 25,227	\$ 45,298	\$ 157,214
Receipts:				
Charges for services	79,016	-	-	79,016
Other receipts	-	46,069	5,500	51,569
Total receipts	<u>79,016</u>	<u>46,069</u>	<u>5,500</u>	<u>130,585</u>
Disbursements:				
Supplies	5,289	-	-	5,289
Other services and charges	12,646	-	-	12,646
Debt service - principal and interest	56,257	-	-	56,257
Other disbursements	33,746	50,799	-	84,545
Total disbursements	<u>107,938</u>	<u>50,799</u>	<u>-</u>	<u>158,737</u>
Excess (deficiency) of receipts over disbursements	<u>(28,922)</u>	<u>(4,730)</u>	<u>5,500</u>	<u>(28,152)</u>
Cash and investments - ending	<u>\$ 57,767</u>	<u>\$ 20,497</u>	<u>\$ 50,798</u>	<u>\$ 129,062</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	General Fund	Bond and Interest	Debt Reserve	Totals
Cash and investments - beginning	\$ 57,767	\$ 20,497	\$ 50,798	\$ 129,062
Receipts:				
Charges for services	87,108	-	-	87,108
Other receipts	-	47,538	1,500	49,038
Total receipts	<u>87,108</u>	<u>47,538</u>	<u>1,500</u>	<u>136,146</u>
Disbursements:				
Supplies	9,783	-	-	9,783
Other services and charges	45,187	-	-	45,187
Debt service - principal and interest	52,878	-	-	52,878
Other disbursements	-	45,529	-	45,529
Total disbursements	<u>107,848</u>	<u>45,529</u>	<u>-</u>	<u>153,377</u>
Excess (deficiency) of receipts over disbursements	<u>(20,740)</u>	<u>2,009</u>	<u>1,500</u>	<u>(17,231)</u>
Cash and investments - ending	<u>\$ 37,027</u>	<u>\$ 22,506</u>	<u>\$ 52,298</u>	<u>\$ 111,831</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General Fund	Bond and Interest	Debt Reserve	Totals
Cash and investments - beginning	\$ 37,027	\$ 22,506	\$ 52,298	\$ 111,831
Receipts:				
Charges for services	83,539	-	-	83,539
Other receipts	-	53,089	82	53,171
Total receipts	<u>83,539</u>	<u>53,089</u>	<u>82</u>	<u>136,710</u>
Disbursements:				
Supplies	1,455	-	-	1,455
Other services and charges	17,141	-	-	17,141
Debt service - principal and interest	57,561	-	-	57,561
Other disbursements	37,420	50,298	-	87,718
Total disbursements	<u>113,576</u>	<u>50,298</u>	<u>-</u>	<u>163,874</u>
Excess (deficiency) of receipts over disbursements	<u>(30,037)</u>	<u>2,791</u>	<u>82</u>	<u>(27,165)</u>
Cash and investments - ending	<u>\$ 6,990</u>	<u>\$ 25,297</u>	<u>\$ 52,380</u>	<u>\$ 84,666</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 169,791</u>

CAMPBELL TOWNSHIP REGIONAL SEWER DISTRICT
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Notes and loans payable	SEWER SYSTEM INSTALLATION LOAN	\$ 502,000	\$ 45,769
Totals		<u>\$ 502,000</u>	<u>\$ 45,769</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the District. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.