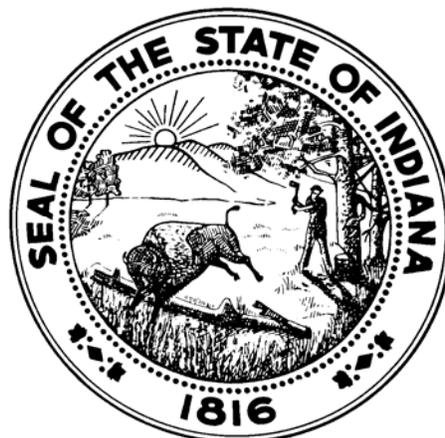


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

NORTHEAST INDIANA SOLID
WASTE MANAGEMENT DISTRICT
DEKALB COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
12/29/2006

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.....	5-6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Steve Christman	01-01-04 to 12-31-06
Controller	Randy P. Tilbury	01-01-04 to 12-31-06
President of the Board of Directors	Harold Gingerich	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTHEAST INDIANA SOLID WASTE
MANAGEMENT DISTRICT, DEKALB COUNTY, INDIANA

We have examined the financial information presented herein of the Northeast Indiana Solid Waste Management District (District), for the period of January 1, 2004 to December 31, 2005. 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, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 4, 2006

NORTHEAST INDIANA SOLID WASTE MANAGEMENT DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Solid Waste Management (General)	\$ 306,761	\$ 885,953	\$ 1,161,697	\$ 31,017
Rainy Day	-	2,021	-	2,021
Web Site Development	500	500	-	1,000
Dekko Grant	-	50,150	22,024	28,126
Nonreverting Capital	10,459	7	7,670	2,796
Fiduciary Fund:				
Payroll	-	64,237	62,793	1,444
Totals	<u>\$ 317,720</u>	<u>\$ 1,002,868</u>	<u>\$ 1,254,184</u>	<u>\$ 66,404</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Solid Waste Management (General)	\$ 31,017	\$ 1,992,769	\$ 1,460,771	\$ 563,015
Rainy Day	2,021	-	2,021	-
Web Site Development	1,000	-	-	1,000
Dekko Grant	28,126	98	28,224	-
IDEM Grant	-	9,600	987	8,613
Nonreverting Capital	2,796	72,107	-	74,903
Fiduciary Fund:				
Payroll	1,444	66,175	67,619	-
Totals	<u>\$ 66,404</u>	<u>\$ 2,140,749</u>	<u>\$ 1,559,622</u>	<u>\$ 647,531</u>

The accompanying notes are an integral part of the schedules.

NORTHEAST INDIANA SOLID WASTE MANAGEMENT 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 services: recycling and educational programs to reduce the amount of solid waste deposited in landfills for a four county area.

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. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurers and are distributed to the District in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. 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.

NORTHEAST INDIANA SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The District has entered into various debts such as capital leases for Trommel Screen, 2004 International Harvester Truck/Tractor, 2004 Chevrolet Trailblazer, and Imagistics Console Copier Printer Scanner. The outstanding principal at December 31, 2005, was \$11,758, \$44,057, \$12,203, and \$13,988, respectively.

Note 8. Subsequent Event

The District accepted a bid from Brandeis Machinery for a Loader in the amount of \$118,995. No agreement has been signed due to problems with the equipment.

The District is restructuring the Board of Directors. Effective January 1, 2007, the Board will consist of four members from each of the four counties belonging to the District, two from the county and two from the cities and towns.

NORTHEAST INDIANA SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on December 4, 2006, with Pamela DeCamp, Program Director; and Randy P. Tilbury, Controller. Our examination disclosed no material items that warrant comment at this time.