

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

EXAMINATION REPORT

OF

GIBSON COUNTY SOLID WASTE MANAGEMENT DISTRICT

GIBSON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

12/29/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	John D. Maxey Ernest M. Colbert	01-01-04 to 02-28-05 03-01-05 to 12-31-06
Controller	Janet P. Jones	01-01-04 to 12-31-06
President of the Board	Robert J. Hurst	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Gibson County 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 14, 2006

GIBSON COUNTY 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

	<u>Cash and Investments 01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-04</u>
Governmental Fund:				
Solid Waste Management (General)	\$ 682,753	\$ 830,247	\$ 827,422	\$ 685,578
Fiduciary Fund:				
Payroll Withholdings	<u>-</u>	<u>422,899</u>	<u>422,899</u>	<u>-</u>
Totals	<u>\$ 682,753</u>	<u>\$ 1,253,146</u>	<u>\$ 1,250,321</u>	<u>\$ 685,578</u>

	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Funds:				
Solid Waste Management (General)	\$ 685,578	\$ 874,182	\$ 914,677	\$ 645,083
Levy Excess	-	15,334	-	15,334
Fiduciary Fund:				
Payroll Withholdings	<u>-</u>	<u>442,810</u>	<u>442,810</u>	<u>-</u>
Totals	<u>\$ 685,578</u>	<u>\$ 1,332,326</u>	<u>\$ 1,357,487</u>	<u>\$ 660,417</u>

The accompanying notes are an integral part of the schedules.

GIBSON COUNTY 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: health and social services and general administrative 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. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied 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 Treasurer 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. All property taxes collected by the County Treasurer and available for distribution were distributed to the District on or prior to December 31 of the year collected.

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.

GIBSON COUNTY 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. Restatements and Reclassifications

For the year ended December 31, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the District. The following schedule presents a summary of restated beginning balances by fund type:

<u>Fund Type</u>	<u>Balance as Reported December 31, 2003</u>	<u>Fund Reclassification</u>	<u>Balance as Restated January 1, 2004</u>
General	\$ 665,629	\$ 17,124	\$ 682,753
Levy Excess	17,124	(17,124)	-

GIBSON COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULT AND COMMENT

BREAK-INS, BURGLARIES OR OTHER CRIMES

The former Director, John D. Maxey, signed a plea agreement admitting to a Class D felony involving the theft of \$13,586.60 from sales of recyclable materials for the period July 1, 2003 to January 31, 2005. Mr. Maxey was covered by an official bond with Western Surety Company during his tenure as Director. Western Surety Company has paid \$9,720.10 directly to the Gibson County Solid Waste Management District for thefts which occurred between February 21, 2004, and January 31, 2005. Mr. Maxey is making restitution through monthly payments to the Gibson County Clerk's Office in accordance with the court order issued on December 13, 2005, in Gibson Superior Court. The District expects to receive an additional \$3,866.50 from the bonding company for thefts which occurred from July 1, 2003 to February, 20, 2004, when restitution is made in full.

GIBSON COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2006, with Robert J. Hurst, President of the Board; Janet P. Jones, Controller; and Ernest M. Colbert, Director. The officials concurred with our finding.