

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

EXAMINATION REPORT

OF

LAKE COUNTY SOLID WASTE MANAGEMENT DISTRICT

LAKE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED

04/02/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Jeffrey A. Langbehn	01-01-05 to 12-31-07
Controller	John E. Petalas	01-01-05 to 12-31-07
Chairman of the Board	Gerry Scheub Jerome Prince	01-01-05 to 12-31-05 01-01-06 to 12-31-07



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 LAKE COUNTY SOLID WASTE
MANAGEMENT DISTRICT, LAKE COUNTY, INDIANA

We have examined the financial information presented herein of Lake County Solid Waste Management District (District), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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 a required part 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

February 6, 2007

LAKE 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, 2005 And 2006

	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Fund:				
Solid Waste Management (General)	\$ 1,148,623	\$ 7,796,898	\$ 3,599,080	\$ 5,346,441
Fiduciary Fund:				
Payroll	<u>8,901</u>	<u>497,612</u>	<u>506,249</u>	<u>264</u>
Totals	<u>\$ 1,157,524</u>	<u>\$ 8,294,510</u>	<u>\$ 4,105,329</u>	<u>\$ 5,346,705</u>

	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
Governmental Fund:				
Solid Waste Management (General)	\$ 5,346,441	\$ 5,341,560	\$ 8,028,487	\$ 2,659,514
Fiduciary Fund:				
Payroll	<u>264</u>	<u>484,497</u>	<u>484,149</u>	<u>612</u>
Totals	<u>\$ 5,346,705</u>	<u>\$ 5,826,057</u>	<u>\$ 8,512,636</u>	<u>\$ 2,660,126</u>

The accompanying notes are an integral part of the schedules.

LAKE 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: sanitation 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.

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.

LAKE COUNTY SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL INFORMATION
(Continued)

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 6. 2005 Property Tax Rates and Levies

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2005, as required by statute, due to the continued delay in the completion of the reassessment of Lake County. The 2004 pay 2005 property tax bills were mailed out in October 2005, with the first installment due November 18, 2005, and the second installment due February 10, 2006.

Note 7. 2006 Property Tax Rates and Levies

Property tax rates and levies were not established by the Indiana Department of Local Government Finance as of February 15, 2006, as required by statute, due to the continued delay caused by the reassessment of Lake County. The 2005 pay 2006 property tax bills were mailed out on August 1, 2006, with the first installment due August 29, 2006, and the second installment due November 14, 2006.

LAKE COUNTY SOLID WASTE MANAGEMENT DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2006

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>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 391,396</u>

LAKE COUNTY SOLID WASTE MANAGEMENT DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For The Year Ended December 31, 2006

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
2004 Honda Element	\$ 7,041	\$ 3,605
2004 Ford Explorer Sport Trac	6,412	2,748
2004 Chevy Malibu Wagon	16,410	5,349
2005 Toyota Scion	3,737	2,458
2005 Nissan Murano	28,588	7,204
2006 Honda Ridgeline	25,862	5,741
Loan payable	<u>7,115,000</u>	<u>220,000</u>
Total governmental activities long-term debt	<u>\$ 7,203,050</u>	<u>\$ 247,105</u>

LAKE COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2007, with John Petalas, Controller. Our examination disclosed no material items that warrant comment at this time.