

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

EXAMINATION REPORT  
OF

WARREN COUNTY SOLID WASTE  
MANAGEMENT DISTRICT  
WARREN COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
10/09/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Administrator	Pamela V. Byers	01-01-05 to 12-31-07
Controller	Stephanie S. Switzer	01-01-05 to 12-31-07
President of the Board	Tom Hetrick	01-01-05 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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Warren 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.

STATE BOARD OF ACCOUNTS

July 25, 2007

WARREN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Solid Waste Management (General)	\$ 298,994	\$ 209,543	\$ 258,308	\$ 250,229
Nonreverting Capital	-	5,000	-	5,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 298,994</u>	<u>\$ 214,543</u>	<u>\$ 258,308</u>	<u>\$ 255,229</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Solid Waste Management (General)	\$ 250,229	\$ 327,846	\$ 312,737	\$ 265,338
Nonreverting Capital	5,000	15,162	10,000	10,162
Rainy Day Fund	-	20,199	10,000	10,199
Levy Excess	-	495	-	495
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 255,229</u>	<u>\$ 363,702</u>	<u>\$ 332,737</u>	<u>\$ 286,194</u>

The accompanying notes are an integral part of the financial information.

WARREN 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 recycling 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. However, 2006 taxes became delinquent if not paid by June 2 and November 10, 2006.

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.

WARREN 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, in conjunction with Warren County. 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.

WARREN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were present during our period of examination:

There were two computer systems in use during the examination period. The first, covering fiscal year 2005, was not submitted for approval by the State Board of Accounts. For fiscal year 2006, a new computer program was acquired. The forms in use with the computer system were not submitted to the State Board of Accounts for approval until December 20, 2006. On January 4, 2007, conditional approval was granted pending our examination. The District did not submit the "General Ledger Report" for approval.

Through the course of our examination, we compared the figures presented on the District's annual report to the ledgers. The computerized ledgers reflecting receipts, disbursements, and balances for fiscal years 2005 and 2006 were not reconcilable to the District's annual report. Further, the computerized ledgers were not reconcilable to the District bank balances.

The District presented us with spreadsheets reflecting the transactions of the fiscal years 2005 and 2006. These spreadsheets were the only available "ledgers" presented for examination that reconciled to the District's annual report, and bank balances.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

WARREN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2007, with Pamela V. Byers, Administrator; and Stephanie S. Switzer, Controller. The officials concurred with our finding.