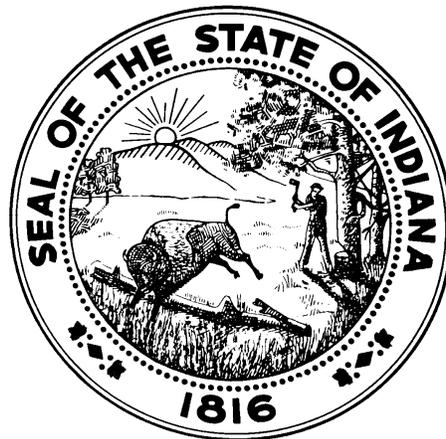


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

WHITLEY COUNTY SOLID
WASTE MANAGEMENT DISTRICT
WHITLEY COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
05/12/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director/Controller	William L. Grube	01-01-06 to 04-26-06
	Vacant	04-27-06 to 05-22-06
	Eugene Heckman	05-23-06 to 08-21-06
	Vacant	08-22-06 to 09-06-06
	Jorell Tucker	09-07-06 to 12-31-08
President of the Solid Waste Management District Board	James Pettigrew	01-01-06 to 12-31-07
	Michael D. Schrader	01-01-08 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Whitley County Solid Waste Management District (District), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 5, 2008

WHITLEY 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, 2006 And 2007

	<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)	\$ <u>756,750</u>	\$ <u>689,608</u>	\$ <u>573,575</u>	\$ <u>872,783</u>
	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
Governmental Fund:				
Solid Waste Management (General)	\$ <u>872,783</u>	\$ <u>610,123</u>	\$ <u>606,478</u>	\$ <u>876,428</u>

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

WHITLEY 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 service of disposal and management of solid waste.

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.

WHITLEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

Financial records presented for examination were incomplete and not reflective of the activity of the Solid Waste Management (General) Fund. The Director did not maintain a Ledger of Receipts, Disbursements and Balances (General Form 358) or Ledger of Appropriations, Encumbrances, Disbursements and Balances (General Form 359). The records presented made it difficult to examine the accuracy of receipts, disbursements, ending balances, or the correctness of the transactions.

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)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the bank account balances to the financial records maintained were not presented for examination or were incorrect. Monthly reconciliations were attempted for the year 2006, but were not accurate. The outstanding checklist at December 31, 2006, totaled \$39,670; however, many of the checks listed as outstanding had either been reissued or voided. The correct amount of outstanding checks should have been \$2,412. No attempt has been made to reconcile the bank account balances to the financial records for the period January 1, 2007 to February 29, 2008.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Whitley County Solid Waste Management District paid penalties and interest to the Internal Revenue Service and the Indiana Department of Revenue for late filing and remittance of payroll taxes for the years 2006 and 2007. The actual amount of penalties and interest paid could not be determined because the Director did not retain or present for examination the correspondence from the Internal Revenue Service and the Indiana Department of Revenue.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

WHITLEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on March 5, 2008, with Jorell Tucker, Director/Controller; and Michael D. Schrader, President of the Solid Waste Management District Board. The officials concurred with our findings.