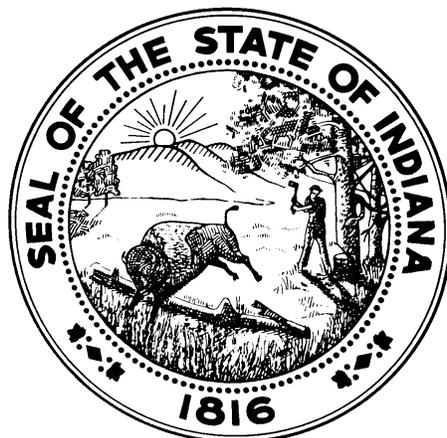


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
VANDERBURGH COUNTY SOLID  
WASTE MANAGEMENT DISTRICT  
A COMPONENT UNIT OF  
VANDERBURGH COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
10/07/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Joseph D. Ballard	01-01-06 to 12-31-08
Treasurer	Lisa L. Acobert	01-01-06 to 12-31-08
President of the Solid Waste Management District Board	Curt Wortman Vacant Bill Nix	01-01-06 to 11-30-06 12-01-06 to 12-31-06 01-01-07 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Vanderburgh 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

August 20, 2008

VANDERBURGH 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)	\$ 552,975	\$ 489,732	\$ 440,404	\$ 602,303
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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)	\$ 602,303	\$ 518,701	\$ 505,687	\$ 615,317
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

VANDERBURGH 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 service: health and social 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. 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.

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

Note 5. 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.

VANDERBURGH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXAMINATION RESULTS AND COMMENTS

SEPARATE BANK ACCOUNTS

The Vanderburgh County Solid Waste Management District funds were accounted for in the bank accounts of the City of Evansville. The accounting records are maintained as a part of the City of Evansville's accounting records. The District is a separate entity that is a component unit of Vanderburgh County. The Board of the District has appointed the City Controller to serve as the fiscal officer.

When two or more governmental units are authorized by statute to have the same fiscal officer, there should be separate bank accounts and accounting records for each governmental unit unless authorized by statute, appropriate federal or state rule or regulation. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

CASH DISBURSEMENTS APPROVAL

Disbursements were not always approved by the Solid Waste Management District's Board. The City of Evansville's Board of Public Works approved some of the claims during the examination period. The District is a separate entity from the City of Evansville, and the Board of Public Works has no authority to approve claims for the Solid Waste Management District.

All claims or accounts payable vouchers must be itemized and allowed by a majority of the members of the board before payment by the fiscal officer. Payment of invoices not supported by a duly certified claim or accounts payable voucher is not permissible. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 21)

APPROVAL OF CLAIMS

During the examination period, some claim dockets did not indicate approval of the Solid Waste Management District's Board. Some claims did not appear on a claim docket. Some claims were combined with claims from various departments of the City of Evansville for payment.

Indiana Code 5-11-10-2(a) states: "Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

VANDERBURGH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2008, with Joseph D. Ballard, Executive Director; and Lisa L. Acobert, Treasurer. The official response has been made a part of this report and may be found on pages 9 and 10.



## City of Evansville

### Office of the Controller

CIVIC CENTER COMPLEX, Room 300  
ONE NW MARTIN LUTHER KING JR. BOULEVARD  
EVANSVILLE, IN 47708  
(812) 436-4919  
Jonathan Weinzapfel, Mayor

8/29/08

State Board of Accounts  
302 West Washington Street, Room E 418  
Indianapolis, IN 46204-2765

Reference: Official Response to the 2007 Audit  
Vanderburgh County Solid Waste Management District

The Vanderburgh County Solid Waste Management District appreciates the examination performed by the Indiana State Board of Account (the "State") and we are pleased to submit responses to the examination results and comments. Our responses will detail our understanding of the issues raised by the State and outline our expected course of action to resolve these issues.

**Separate Bank Accounts:** In order to operate in a cost effective and efficient manner the Solid Waste District and the City of Evansville established a resolution when the District was created which allowed the City to handle the financial and administrative matters at a low cost. The District's money is accounted for in a separate fund within the City's records. The City and the District have maintained this same relationship for many years with no problems.

**Cash Disbursement Approval:** The District will ensure that all claims of the Vanderburgh County Solid Waste Management District will be brought before the Board of the Solid Waste Management District for approval. The District's board meets once a month. In order to make timely payments to vendors, it has been a long standing past practice to occasionally take claims to the Board of Public Works for approval.

**Approval of Claims:** The City of Evansville and the Vanderburgh County Solid Waste Management District utilize the same accounting software to process accounts payable. Frequently, services provided by vendors are for the benefit of both the City and District. In the accounting system, the services are accounted for separately, but the payment is combined into one check to accommodate vendors and minimize the volume of the checks. The District and the City will investigate the possibility of separating these types of transactions to ensure separate checks are written and sent to the vendor provided that

the accounting and reporting infrastructure of the city is not negatively impacted. The current processes with regard to the combined accounts payable process are the causal elements for the missing claims on a claim docket and the combined claims.

Sincerely,

Jenny Collins  
*Deputy Controller*  
*City Controller's Office*  
[jcollins@evansvillegis.com](mailto:jcollins@evansvillegis.com)  
812-436-4919