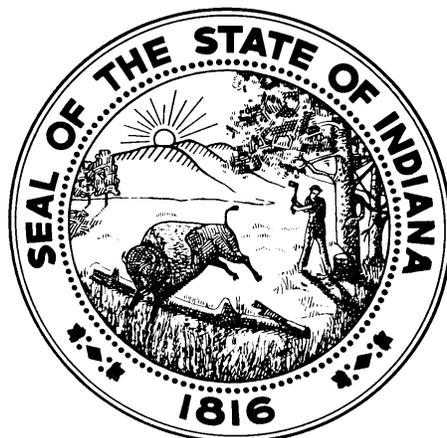


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

MONROE COUNTY SOLID WASTE
MANAGEMENT DISTRICT
MONROE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Vacant Glenn Lightner Vacant Larry Barker	01-01-06 to 02-20-07 02-21-07 to 06-01-07 06-02-07 to 09-23-07 09-24-07 to 12-31-08
Controller	Shirley L. McMurry	01-01-06 to 12-31-08
President of the Board of Directors	Patrick Stoffers Warren Henegar	01-01-06 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

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

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 required parts 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

October 16, 2008

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, INTERNAL SERVICE, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Solid Waste Management (General)	\$ (150,278)	\$ 2,769,554	\$ 1,936,147	\$ 683,129
Bond Reserve	212,498	1,560	-	214,058
Internal Service Funds:				
Self-Insurance Trust	9,976	151,633	159,168	2,441
Retirement Forfeiture Account	11,992	19,459	30,643	808
Fiduciary Funds:				
Employee Vending Machine	1,369	114	-	1,483
Landfill Closure/Post-Closure Trust	509,990	31,233	6,577	534,646
Totals	<u>\$ 595,547</u>	<u>\$ 2,973,553</u>	<u>\$ 2,132,535</u>	<u>\$ 1,436,565</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Solid Waste Management (General)	\$ 683,129	\$ 2,075,400	\$ 2,010,542	\$ 747,987
Bond Reserve	214,058	9,764	65,775	158,047
Escrow Account	-	1,145,271	-	1,145,271
2007 Bond Account	-	3,082,992	-	3,082,992
Internal Service Funds:				
Self-Insurance Trust	2,441	132,105	123,866	10,680
Retirement Forfeiture Account	808	6,319	-	7,127
Fiduciary Funds:				
Employee Vending Machine	1,483	115	-	1,598
Landfill Closure/Post-Closure Trust	534,646	24,932	4,965	554,613
Totals	<u>\$ 1,436,565</u>	<u>\$ 6,476,898</u>	<u>\$ 2,205,148</u>	<u>\$ 5,708,315</u>

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

MONROE 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: recycling services and recycling education.

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; however, the December 2007 final distribution of \$204,155 was not receipted by the District until January 4, 2208.

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.

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

Note 6. Long-Term Debt

The District has entered into various debts such as capital lease for equipment and bonds for recycling, education center, administration offices, sanitation garage, and landfill closure. The outstanding principal at December 31, 2007, was \$5,407,976.

Note 7. Subsequent Event – 1995 Bond Issue

The 1995 Bond Issue principal balance of \$1,105,000 as of December 31, 2007, was called on January 22, 2008.

Note 8. Subsequent Event – Landfill Closure

The District entered into a contract with Crider & Crider, Inc., on February 19, 2008, in the amount of \$2,663,755.24 for landfill closure costs.

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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:	
Buildings	\$ 1,811,966
Improvements other than buildings	1,064,410
Machinery and equipment	<u>918,310</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,794,686</u>

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Solid Waste Management District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital lease:		
Electric Pallet Jack	\$ 2,976	\$ 2,524
Bonds payable:		
General obligation bonds:		
Landfill Closing	4,300,000	158,047
Recycling Center; Education Center and Administrative Offices; Sanitation Garage (1)	<u>1,105,000</u>	<u>1,145,271</u>
Total governmental activities debt	<u>\$ 5,407,976</u>	<u>\$ 1,305,842</u>

(1) These bonds were called by the District for redemption on January 22, 2008.

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

Total receipts and total disbursements for the following funds on Parts 2 and 3, respectively, do not agree with Part 1 of the Annual Financial Report for the years 2006 and 2007:

Solid Waste Management
Bond Reserve
Landfill Trust
Retirement Forfeiture Account
Escrow Account
2007 Bond Account

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)

CONDITION OF RECORDS

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

The Capital Asset Detail does not reconcile with the General Ledger.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PENALTIES, INTEREST, AND OTHER CHARGES

In 2006 and 2007, late fees and finance charges of \$15 and \$25, respectively, were paid to various vendors.

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)

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2008, with Shirley L. McMurry, Controller; and Warren Henegar, President of the Board of Directors. The officials concurred with our findings.