

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

EXAMINATION REPORT
OF

WILDCAT CREEK SOLID WASTE
MANAGEMENT DISTRICT
TIPPECANOE COUNTY, INDIANA

January 1, 2007 to December 31, 2008



FILED
02/03/2010

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------|------------------|----------------------|
| Director | Dawn Boston | 01-01-07 to 12-31-09 |
| Controller | Dennis L. Hayden | 01-01-07 to 12-31-09 |
| President of the Board | C. Steven Frey | 01-01-07 to 12-31-09 |



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WILDCAT CREEK SOLID WASTE
MANAGEMENT DISTRICT, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of the Wildcat Creek Solid Waste Management District (District), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 18, 2009

WILDCAT CREEK 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, 2007 And 2008

| | Cash and Investments 01-01-07 | Receipts | Disbursements | Cash and Investments 12-31-07 |
|----------------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Solid Waste Management (General) | \$ 307,967 | \$ 267,679 | \$ 264,247 | \$ 311,399 |
| Haz-Mat Emergency Reserve | 67,757 | 2,669 | - | 70,426 |
| Levy Excess | 2,150 | - | 2,150 | - |
| | <u>377,874</u> | <u>270,348</u> | <u>266,397</u> | <u>381,825</u> |
| Totals | <u>\$ 377,874</u> | <u>\$ 270,348</u> | <u>\$ 266,397</u> | <u>\$ 381,825</u> |

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|----------------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| Solid Waste Management (General) | \$ 311,399 | \$ 263,294 | \$ 248,245 | \$ 326,448 |
| Haz-Mat Emergency Reserve | 70,426 | 1,109 | - | 71,535 |
| | <u>381,825</u> | <u>264,403</u> | <u>248,245</u> | <u>397,983</u> |
| Totals | <u>\$ 381,825</u> | <u>\$ 264,403</u> | <u>\$ 248,245</u> | <u>\$ 397,983</u> |

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

WILDCAT CREEK 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 sanitation 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.

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.

WILDCAT CREEK 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. 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.

Note 7. Subsequent Event

The District entered into an agreement to construct a new Hazardous Materials building for hazardous collections and shower facilities in Frankfort, Indiana. The new building is contracted to cost \$39,566.

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The District is not using the prescribed Ledger of Receipts, Disbursements and Balances (Form 358). The District uses Quickbooks, which has not been approved as an alternate system of forms. The use of Quickbooks has created the loss of an audit trail in several instances. We noted six instances in 2007 and three instances in 2008 where checks were written but later voided as they were not needed or lost in the mail. The ledger was subsequently changed to reflect the check amounts to zero.

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)

Receipt and disbursement corrections or other errors should be corrected by memorandum entry with the issuance of a check and receipt to document the flow of the transactions. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PENALTIES, INTEREST, AND OTHER CHARGES

The District routinely pays invoices from Duke Energy every other month. This has resulted in penalties being assessed and paid with regard to services received for the first month the payment covers. We further noted one invoice that was overpaid when the balance forwarded from the first month was included and paid with the balance of the second month.

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)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 16)

ADVANCE PAYMENTS

The District paid amounts to the City of Lafayette Water and Wastewater Utilities, Frankfort Municipal Utilities, and Mulberry Telephone companies on January 28, 2008, that were estimated to cover costs through December 2008.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 16)

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on November 18, 2009, with C. Steven Frey, President of the Board; Pamela S. Wellman, Assistant Controller; and Dawn Boston, Director.