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

EXAMINATION REPORT
OF
RECYCLING AND WASTE REDUCTION
DISTRICT OF PORTER COUNTY
PORTER COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED
05/18/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Therese Davis	01-01-07 to 12-31-10
Assistant Director/Controller	Dawn Garmon	01-01-07 to 12-31-10
Chairman of the Board	John Evans	01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE RECYCLING AND WASTE REDUCTION
DISTRICT OF PORTER COUNTY, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the Recycling and Waste Reduction District of Porter County (District), for the period of January 1, 2007 to December 31, 2009. 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.

The District did not accurately report, for a two year period, the cash balances held by the District. The complete activity of a loan obtained by the District was not reported for the years 2007 and 2009. This has resulted in the omission of the Loan Proceeds Fund from the reported financial information for the years 2007 and 2009.

In our opinion, except for the omission of loan activity referred to in the third paragraph, 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, 2008, and 2009, 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

April 20, 2010

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Solid Waste Management (General)	\$ 369,452	\$ 1,155,931	\$ 1,490,778	\$ 34,605
Nonreverting Capital	85,380	1,525	33,252	53,653
Donation	-	1,113	1,113	-
Rainy Day	-	5,000	-	5,000
Totals	<u>\$ 454,832</u>	<u>\$ 1,163,569</u>	<u>\$ 1,525,143</u>	<u>\$ 93,258</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Solid Waste Management (General)	\$ 34,605	\$ 2,297,506	\$ 1,857,713	\$ 474,398
Nonreverting Capital	53,653	32,761	28,472	57,942
Donation	-	5,160	5,160	-
Loan Proceeds	212,253	3,834	16,800	199,287
Rainy Day	5,000	-	-	5,000
Totals	<u>\$ 305,511</u>	<u>\$ 2,339,261</u>	<u>\$ 1,908,145</u>	<u>\$ 736,627</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Solid Waste Management (General)	\$ 474,398	\$ 1,772,466	\$ 1,791,336	\$ 455,528
Nonreverting Capital	57,942	100,140	85,515	72,567
Donation	-	7,402	5,809	1,593
Rainy Day	5,000	10,000	15,000	-
Totals	<u>\$ 537,340</u>	<u>\$ 1,890,008</u>	<u>\$ 1,897,660</u>	<u>\$ 529,688</u>

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

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
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: public safety, health and social services, culture and recreation, and general administrative 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 or highway use taxes are received 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.

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
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 has awarded the purchase of a new front-end loader for \$115,175 to John Deere. As of April 20, 2010, the District is still working on obtaining a loan for the new piece of equipment.

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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:	
Land	\$ 30,000
Buildings	38,002
Improvements other than buildings	34,150
Machinery and equipment	<u>608,273</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 710,425</u>

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The District has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Service Truck	\$ 20,180	\$ 9,033
Compost Turner	<u>174,134</u>	<u>40,484</u>
Total governmental activities debt	<u>\$ 194,314</u>	<u>\$ 49,517</u>

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

A loan was acquired in 2007 and held in a separate bank account for the District. The District only reported, in their annual report, the amounts transferred from that bank account into their general bank account under their Solid Waste Management (General) Fund for the years 2007 and 2009. In 2008 the loan activity was reported under the Loan Proceeds Fund. This resulted in \$212,253 in receipts and \$159,287 in disbursements not reported for the years 2007 and 2009.

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 personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2010, with Therese Davis, Director; and Dawn Garmon, Assistant Director/Controller. The officials concurred with our finding.