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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, 2008 to December 31, 2009



FILED
11/19/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Larry Barker	01-01-08 to 12-31-10
Controller	Shirley L. McMurry	01-01-08 to 12-31-10
President of the Board of Directors	Warren Henegar Patrick Stoffers	01-01-08 to 12-31-08 01-01-09 to 12-31-10



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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, 2008 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.

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, 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

August 17, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Solid Waste Management (General)	\$ 747,987	\$ 1,951,749	\$ 2,270,093	\$ 429,643
Bond Reserve	158,047	61,444	-	219,491
Escrow Account	1,145,271	-	1,145,271	-
2007 Bond Account	3,082,992	69,296	2,526,135	626,153
Internal Service Funds:				-
Self-Insurance Trust	10,680	225,515	235,118	1,077
Retirement Forfeiture Account	7,127	7	-	7,134
Fiduciary Funds:				
Employee Vending Machine	1,598	-	-	1,598
Landfill Closure/Postclosure Trust	554,613	28,283	111,799	471,097
Totals	<u>\$ 5,708,315</u>	<u>\$ 2,336,294</u>	<u>\$ 6,288,416</u>	<u>\$ 1,756,193</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Solid Waste Management (General)	\$ 429,643	\$ 2,648,364	\$ 2,673,999	\$ 404,008
Bond Reserve	219,491	61,601	216	280,876
Escrow Account	-	-	-	-
2007 Bond Account	626,153	214,534	840,687	-
Internal Service Funds:				-
Self-Insurance Trust	1,077	-	1,077	-
Retirement Forfeiture Account	7,134	-	215	6,919
Flexible Spending	-	7,320	6,532	788
Fiduciary Funds:				
SIHO Escrow Self-Insurance	-	132,023	132,493	(470)
Employee Vending Machine	1,598	-	-	1,598
Landfill Closure/Postclosure Trust	471,097	91,526	11,817	550,806
Totals	<u>\$ 1,756,193</u>	<u>\$ 3,155,368</u>	<u>\$ 3,667,036</u>	<u>\$ 1,244,525</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: sanitation 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 are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Normally, 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.

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

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.

Note 6. Long-Term Debt

The District has entered into various debts such as bonds for recycling, education center, administration offices, sanitation garage and landfill closure. The outstanding principal at December 31, 2009, was \$4,135,000.

Note 7. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the District to place a final cover on its Monroe County Landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. On December 21, 2009, the District received official notification of site closure from the Indiana Department of Environmental Management. The District was required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care. The District is in compliance with these requirements, and, at December 31, 2009, investments of \$550,806 are held for these purposes. The District expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges for future services or from future tax revenue.

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
 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	\$ 921,501
Infrastructure	888,295
Buildings	1,632,205
Improvements other than buildings	3,583,716
Machinery and equipment	<u>876,511</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 7,902,228</u>

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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:		
Bonds payable:		
General obligation bonds:		
Landfill closing	\$ 4,135,000	\$ 280,876
 Total governmental activities debt	 <u>\$ 4,135,000</u>	 <u>\$ 280,876</u>

MONROE COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The SIHO Escrow Self-Insurance Fund was overdrawn in 2009 by \$469.98.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (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 August 17, 2010, with Patrick Stoffers, President of the Board of Directors, and Shirley L. McMurry, Controller.