

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

EXAMINATION REPORT
OF

MARTIN COUNTY SOLID WASTE
MANAGEMENT DISTRICT
MARTIN COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED
12/07/2010

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|--|-------------|
| Officials | 2 |
| Independent Accountant's Report..... | 3 |
| Financial Information: | |
| Schedules of Receipts, Disbursements, and Cash and Investment Balances | 4 |
| Notes to Financial Information | 5-6 |
| Supplementary Information: | |
| Schedule of Capital Assets..... | 7 |
| Examination Results and Comments: | |
| Disbursements Outside District Powers | 8 |
| List of Employees Not Filed With County Treasurer | 9 |
| Official Bond | 9 |
| Exit Conference..... | 10 |

OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|--------------------------------|--|
| Director | Laura A. Albertson | 01-01-07 to 12-31-10 |
| Treasurer | Donald F. Bowling | 01-01-07 to 12-31-10 |
| Fiscal Officer | Johnette Payne June Eckerle | 01-01-07 to 12-31-07 01-01-08 to 12-31-10 |
| President of the Solid Waste Management Board | Mike Dant Richard Summers | 01-01-07 to 12-31-08 01-01-09 to 12-31-10 |



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Martin County Solid Waste Management District (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.

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, 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. This has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 21, 2010

MARTIN COUNTY SOLID WASTE MANAGEMENT DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
GOVERNMENTAL FUND TYPE
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) | \$ 248,056 | \$ 650,211 | \$ 543,968 | \$ 354,299 |
| Nonreverting Capital Fund | 103,908 | - | - | 103,908 |
| Rainy Day Fund | 88,316 | - | - | 88,316 |
| | <u>440,280</u> | <u>650,211</u> | <u>543,968</u> | <u>546,523</u> |
| Totals | <u>\$ 440,280</u> | <u>\$ 650,211</u> | <u>\$ 543,968</u> | <u>\$ 546,523</u> |
| | | | | |
| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
| Governmental Funds: | | | | |
| Solid Waste Management (General) | \$ 354,299 | \$ 739,869 | \$ 546,506 | \$ 547,662 |
| Nonreverting Capital Fund | 103,908 | 21,000 | - | 124,908 |
| Rainy Day Fund | 88,316 | - | - | 88,316 |
| | <u>546,523</u> | <u>760,869</u> | <u>546,506</u> | <u>760,886</u> |
| Totals | <u>\$ 546,523</u> | <u>\$ 760,869</u> | <u>\$ 546,506</u> | <u>\$ 760,886</u> |
| | | | | |
| | Cash and Investments 01-01-09 | Receipts | Disbursements | Cash and Investments 12-31-09 |
| Governmental Funds: | | | | |
| Solid Waste Management (General) | \$ 547,662 | \$ 407,963 | \$ 672,926 | \$ 282,699 |
| Nonreverting Capital Fund | 124,908 | - | - | 124,908 |
| Rainy Day Fund | 88,316 | - | - | 88,316 |
| | <u>760,886</u> | <u>407,963</u> | <u>672,926</u> | <u>495,923</u> |
| Totals | <u>\$ 760,886</u> | <u>\$ 407,963</u> | <u>\$ 672,926</u> | <u>\$ 495,923</u> |

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

MARTIN 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: solid waste disposal and education for citizens of the district.

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.

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.

MARTIN COUNTY 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.

MARTIN 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 | \$ 40,000 |
| Buildings | 224,396 |
| Machinery and equipment | 265,664 |
| Transportation equipment | <u>205,129</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 735,189</u> |

MARTIN COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENTS OUTSIDE DISTRICT POWERS

On November 19, 2008, the District Board approved a donation to the Martin County Partnership for Economic Growth for \$6,000. The disbursement was made to encourage economic growth in Martin County.

IC 13-21-3-12 states in part:

"Except as provided in section 14.5 of this chapter, the powers of a district include the following: . . .

(23) The power to make grants or loans of:

- (A) money;
- (B) property;
- (C) or services;

to public or private recycling programs, composting programs, or any other programs that reuse any component of the waste stream as a material component of another product, if the primary purpose of activities undertaken under this subdivision is to carry out the provisions of this article. . . .

(25) The power to conduct promotional or educational programs that include giving awards and incentives that further the district's solid waste management plan.

(26) The power to conduct educational programs under IC 13-20-17.5 to provide information to the public concerning:

- (A) the reuse and recycling of mercury in:
 - (i) mercury commodities; and (ii) mercury-added products; . . .
- (B) collection programs available to the public for:
 - (i) mercury commodities; and (ii) mercury-added products. . . .

(27) The power to implement mercury collection programs under IC 13-20-17.5 for the public and small businesses."

MARTIN COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of employees was not certified to the County Treasurer for 2007, 2008, or 2009 examination years.

IC 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

OFFICIAL BOND

An official bond for the District Director dated June 30, 2000, until cancelation or termination, was filed in the Martin County Recorder's office on May 30, 2001. The total bond was \$15,000 and is renewed by the district annually. A renewal certificate is sent to the District by the bonding company documenting extension of coverage, but the certificates for 2007, 2008, or 2009 were not filed with the County Recorder.

IC 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

MARTIN COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2010, with Laura A. Albertson, Director; June Eckerle, Fiscal Officer; and Donald F. Bowling, Treasurer. The officials concurred with our findings.