

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

EXAMINATION REPORT  
OF

KNOX COUNTY SOLID WASTE  
MANAGEMENT DISTRICT  
KNOX COUNTY, INDIANA

January 1, 2007 to December 31, 2009



**FILED**  
12/07/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director/Fiscal Officer	Pat Gratzek	01-01-07 to 05-30-08
	Tracy Clinkenbeard (Interim)	06-01-08 to 08-12-08
	Charles Jonathan Mays	08-13-08 to 07-03-09
	Tracy Clinkenbeard	07-04-09 to 09-05-11
President of the Board	Pat Clark	01-01-07 to 12-31-07
	Jim Bobe	01-01-08 to 12-31-08
	Pat Clark	01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE KNOX COUNTY SOLID WASTE MANAGEMENT DISTRICT

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

STATE BOARD OF ACCOUNTS

September 28, 2010

KNOX 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)	\$ 375,637	\$ 164,950	\$ 253,040	\$ 287,547
Rainy Day Fund	-	24,450	-	24,450
Capital Projects Fund	-	125,000	-	125,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 375,637</u>	<u>\$ 314,400</u>	<u>\$ 253,040</u>	<u>\$ 436,997</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Solid Waste Management (General)	\$ 287,547	\$ 272,594	\$ 342,418	\$ 217,723
Rainy Day Fund	24,450	18,259	18,259	24,450
Capital Projects Fund	125,000	-	-	125,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 436,997</u>	<u>\$ 290,853</u>	<u>\$ 360,677</u>	<u>\$ 367,173</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Solid Waste Management (General)	\$ 217,723	\$ 278,200	\$ 277,817	\$ 218,106
Rainy Day Fund	24,450	-	-	24,450
Capital Projects Fund	125,000	103,950	103,950	125,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	<u>\$ 367,173</u>	<u>\$ 382,150</u>	<u>\$ 381,767</u>	<u>\$ 367,556</u>

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

KNOX 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 management for district residents.

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 subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Solid Waste User Fees

Solid waste user fees levied are collected by the County Treasurer and are distributed to the District in June and December. Solid waste user fees may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All solid waste user fees 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.

KNOX 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.

KNOX COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXAMINATION RESULT AND COMMENT

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
General	2007	\$ 8,540
General	2008	86,270
Rainy Day	2008	18,259
General	2009	11,169
Capital Projects	2009	103,950

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

KNOX COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 28, 2010, with Tracy Clinkenbeard, Director/Fiscal Officer. The official concurred with our finding.