

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

EXAMINATION REPORT
OF
HANCOCK COUNTY SOLID WASTE
MANAGEMENT DISTRICT
HANCOCK COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
06/28/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Robin Lowder	01-01-09 to 12-31-11
Director	Roy Ballard	01-01-09 to 12-31-11
Chairman of the Board	Derek Towle	01-01-09 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information of Hancock County Solid Waste Management District (District), for the period of January 1, 2009 to December 31, 2010. The District's management is responsible for the financial information. Our responsibility is to express an opinion based on our examination.

The accounting records of the District were not maintained in a manner that the financial information, including the receipts, disbursements, and cash and investment balances, could be reported. Financial information of the District was accounted for through the records of Hancock County and was commingled with other funds of the County in such a manner that the District's activity could not be separated. The District's records do not permit the application of other audit procedures to satisfy ourselves that the account balances are fairly stated.

No financial transactions are reflected in this report because of the condition of the records as stated above. However, we did examine available records to the extent possible for compliance with state statutes and with the Accounting and Uniform Compliance Guidelines Manual for Special Districts, published by the State Board of Accounts. The results of this examination are stated in the Examination Result(s) and Comment(s).

This report is intended solely for the information and use of the District's management, Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 9, 2011

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULT(S) AND COMMENT(S)

PRESCRIBED FORMS

The District did not use prescribed General Receipt Form 352 when monies were collected. Instead, the District used a receipt form they developed to meet their specific needs. The receipt form used had not been submitted to the State Board of Accounts for approval in lieu of the prescribed form. A similar comment appeared in prior reports, most recently B35550.

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)

LACK OF SEPARATE ACCOUNTING

Hancock County, through Resolution No. 2002-3-1, designated itself as a separate county solid waste management district on March 4, 2002. The Hancock County Solid Waste Management District (District) was funded through the Hancock County Extension departmental appropriation within the Hancock County General Fund. Because the County funded the District in this manner, the District did not record receipts and District disbursements were commingled with those of the County Extension office. The financial activity of the District was not maintained separate and distinct from the records of the County Extension office. A similar comment appeared in prior reports, most recently B35550.

Indiana Code 5-11-1-2(a) states in part:

"The state board of accounts shall formulate, prescribe, and install a system of accounting and reporting in conformity with this chapter, which must comply with the following:

- (1) Be uniform for every public office and every public account of the same class and contain written standards that an entity that is subject to audit must observe.
- (2) Exhibit true accounts and detailed statements of funds collected, received, obligated, and expended for or on account of the public for any and every purpose whatever, and by all public officers, employees, or other individuals."

Indiana Code 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: . . .

- (19) The power to enter into an interlocal cooperation agreement under IC 36-1-7 to obtain:
 - (A) fiscal;
 - (B) administrative;
 - (C) managerial; or
 - (D) operational;services from a county or municipality. . . ."

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULT(S) AND COMMENT(S)
(Continued)

ANNUAL BUDGET

The District did not have its own separate annual budget. Rather, a budget estimate was presented to officials of Hancock County and included in the County General Fund appropriation for the County Extension Department. A similar comment appeared in prior reports, most recently B35550.

Before the board of a district may adopt an annual budget, the budget must be:

- (1) approved by the Indiana Department of Local Government Finance; and
- (2) sent to:
 - (A) the executive; and
 - (B) the fiscal body;

of each county and municipality located within the district as a matter of record.

The board of directors of a solid waste management district established under IC 13-21 or IC 13-3.5-2 (before its repeal) may conduct the public hearing regarding the district's proposed budget and its proposed tax rate and levy required under IC 6-1.1-17-3(a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 3)

ANNUAL REPORT

The Annual Reports for 2009 and 2010 were not submitted as required and were not presented for examination. A similar comment appeared in prior reports, most recently B35550.

Indiana Code 5-11-1-4(a) concerning Annual Reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner no later than thirty (30) days after the close of each fiscal year."

OFFICIAL BOND - CONTROLLER

The Controller of the Hancock County Solid Waste Management District did not have an individual surety bond on file. A similar comment appeared in prior reports, most recently B35550.

Indiana Code 5-4-1-18 states in part:

"A controller of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal) shall file an individual surety bond in an amount:

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULT(S) AND COMMENT(S)
(Continued)

- (1) fixed by the board of directors of the solid waste management district; and
- (2) that is at least thirty thousand dollars (\$30,000) in annual coverage.

Except as provided under subsection (d), a person who is required to file an individual surety bond by the board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal) shall file a bond in an amount fixed by the board of directors."

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on June 9, 2011, with Robin Lowder, Controller; Roy Ballard, Director; and Derek Towle, Chairman of the Board.