

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

COMPLIANCE ENGAGEMENT REPORT

OF

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT

HANCOCK COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED

09/11/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3-4
Comments	5-6
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	9-11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Roy Ballard Dede Allender	01-01-19 to 09-30-19 10-01-19 to 12-31-24
Controller	Debra Carnes	01-01-19 to 12-31-24
President of the District Board	John Jessup Dan Riley	01-01-19 to 12-31-22 01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Hancock County Solid Waste Management District (District), Hancock County, for the period of January 1, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the District as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the District's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Dede Allender, Director; Debra Carnes, Controller; Dan Riley, President of the District Board; and Mary Bowmer, Financial Administrator, on August 26, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

July 11, 2024

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
COMMENTS

ANNUAL FINANCIAL REPORT

Condition and Context

Financial information is required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system. Internal controls were not in place to ensure the financial information was entered in the AFR accurately. For each year of the engagement period, the District reported a fund titled County General on its AFR. Equivalent amounts for the beginning balance and total disbursements for the County General fund were reported. This activity represented the appropriation of funds from the County to the District and are included as receipts in the Solid Waste Management Fund.

The activity reported in the AFR as County General fund, was not the activity of the District, but the activity of the County. As such, adjustments removing this activity from its financial statements were proposed, accepted by the District, and made to the AFR and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.

Criteria

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Special Districts, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. . . ."

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
COMMENTS
(Continued)

100R - CERTIFIED REPORT FILED AFTER DUE DATE

Condition and Context

The District's Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) for 2019, 2020, 2021, and 2023 were not filed electronically until February 3, 2020, February 9, 2021, February 28, 2022, and March 15, 2024, which were 3, 8, 28, and 44 days, respectively, past the due date.

Criteria

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. . . ."

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

(This page intentionally left blank.)

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Solid Waste Management Fund	\$ 139	\$ 62,428	\$ 62,332	\$ 235	\$ 62,428	\$ 61,756	\$ 907
Solid Waste Agency Event Fund	<u>21,790</u>	<u>14,617</u>	<u>9,820</u>	<u>26,587</u>	<u>10,562</u>	<u>1,000</u>	<u>36,149</u>
Totals	<u>\$ 21,929</u>	<u>\$ 77,045</u>	<u>\$ 72,152</u>	<u>\$ 26,822</u>	<u>\$ 72,990</u>	<u>\$ 62,756</u>	<u>\$ 37,056</u>

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Solid Waste Management Fund	\$ 907	\$ 67,196	\$ 62,186	\$ 5,917	\$ 101,323	\$ 106,729	\$ 511
Solid Waste Agency Event Fund	<u>36,149</u>	<u>14,451</u>	<u>10,355</u>	<u>40,245</u>	<u>17,610</u>	<u>-</u>	<u>57,855</u>
Totals	<u>\$ 37,056</u>	<u>\$ 81,647</u>	<u>\$ 72,541</u>	<u>\$ 46,162</u>	<u>\$ 118,933</u>	<u>\$ 106,729</u>	<u>\$ 58,366</u>

HANCOCK COUNTY SOLID WASTE MANAGEMENT DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Solid Waste Management Fund	\$ 512	\$ 135,249	\$ 132,265	\$ 3,496
Solid Waste Agency Event Fund	<u>57,854</u>	<u>33,917</u>	<u>19,725</u>	<u>72,046</u>
Totals	<u>\$ 58,366</u>	<u>\$ 169,166</u>	<u>\$ 151,990</u>	<u>\$ 75,542</u>