

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

EAST CENTRAL INDIANA SOLID
WASTE MANAGEMENT DISTRICT
MADISON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
08/08/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Dean P. Smith	01-01-2004 to 12-31-2006
Controller	Jay K. Walters	01-01-2004 to 12-31-2006
Chairman of the Solid Waste Management Board	Otis Cox Hon. Dan Canan John M. Richwine	01-01-2004 to 12-31-2004 01-01-2005 to 12-31-2005 01-01-2006 to 12-31-2006



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EAST CENTRAL INDIANA SOLID WASTE
MANAGEMENT DISTRICT, MADISON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the East Central Indiana Solid Waste Management District (District), for the period of January 1, 2004 to December 31, 2005. The District's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the District for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

July 19, 2006

EAST CENTRAL INDIANA SOLID WASTE MANAGEMENT DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	<u>Cash and Investments 01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-04</u>
Governmental Fund: General	\$ 1,504,749	\$ 806,420	\$ 863,076	\$ 1,448,093
	-	-	-	-
Fiduciary Fund: Payroll	-	249,918	249,918	-
Totals	<u>\$ 1,504,749</u>	<u>\$ 1,056,338</u>	<u>\$ 1,112,994</u>	<u>\$ 1,448,093</u>
	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Fund: General	\$ 1,448,093	\$ 925,433	\$ 723,990	\$ 1,649,536
	-	-	-	-
Fiduciary Fund: Payroll	-	233,074	232,726	348
Totals	<u>\$ 1,448,093</u>	<u>\$ 1,158,507</u>	<u>\$ 956,716</u>	<u>\$ 1,649,884</u>

The accompanying notes are an integral part of the schedules.

EAST CENTRAL INDIANA SOLID WASTE MANAGEMENT DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District oversees solid waste disposal services, for Delaware, Grant, and Madison Counties.

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.

EAST CENTRAL INDIANA SOLID WASTE MANAGEMENT DISTRICT
NOTES TO SCHEDULES
(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.

EAST CENTRAL INDIANA SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULTS AND COMMENTS

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Some officials or employees of the Solid Waste District had money due from the Solid Waste District, but a list of such employees was not certified to the County Treasurer. A similar comment appeared in the prior examination report.

Indiana Code 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."

ALLOWANCE OF ACCOUNTS PAYABLE VOUCHERS

The Accounts Payable Voucher Registers were not signed by the governing board allowing disbursements. A similar comment appeared in the prior examination report.

Indiana Code 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

"(b) The state board of accounts shall prescribe a form which will permit claims from two (2) or more claimants to be listed on a single document and, when such list is signed by members of the governing body showing the claims and amounts allowed each claimant and the total claimed and allowed as listed on such document, it shall not be necessary for the members to sign each claim.

(c) Notwithstanding subsection (b), only: (1) the chairperson of the board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal); or (2) the chairperson's designee; is required to sign the claim form described under this section."

EAST CENTRAL INDIANA SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on July 15, 2006, with Jay K. Walters, Controller; John M. Richwine, Chairman of the Solid Waste Management Board; and Dean P. Smith, Director.