

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

EXAMINATION REPORT

OF

BROWN COUNTY SOLID WASTE MANAGEMENT DISTRICT

BROWN COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
08/10/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Rebecca S. Baugh	01-01-04 to 12-31-06
Controller	Bonnie J. Boas	01-01-04 to 12-31-06
President of the Board	Horace W. Hays	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Brown County 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 3, 2006

BROWN COUNTY COUNTY 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

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Solid Waste Management (General)	\$ 483,337	\$ 28,819	\$ 241,151	\$ 271,005
Clean-up	3,476	-	-	3,476
Grant	5,617	4,377	9,471	523
Nonreverting Capital	16,000	4,000	-	20,000
Fiduciary Fund:				
Payroll Withholdings	4	30,149	28,008	2,145
Totals	<u>\$ 508,434</u>	<u>\$ 67,345</u>	<u>\$ 278,630</u>	<u>\$ 297,149</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Solid Waste Management (General)	\$ 271,005	\$ 76,376	\$ 229,377	\$ 118,004
Clean-up	3,476	-	-	3,476
Grant	523	7,135	6,841	817
Nonreverting Capital	20,000	-	-	20,000
Fiduciary Fund:				
Payroll Withholdings	2,145	28,242	27,932	2,455
Totals	<u>\$ 297,149</u>	<u>\$ 111,753</u>	<u>\$ 264,150</u>	<u>\$ 144,752</u>

The accompanying notes are an integral part of the schedules.

BROWN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the following services: recycling education and recycling services.

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.

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.

BROWN COUNTY 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.

BROWN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXAMINATION RESULT AND COMMENT

OVERTIME WAGES AND COMPENSATORY LEAVE TIME

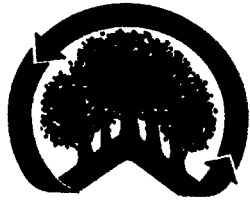
One employee was overpaid for overtime hours worked during 2005 and 2006. The District will withhold wages for the remainder of 2006 to recoup the overpayment.

Two employees were given earned compensatory leave time on their service records, but for the same pay period received overtime wages for those hours worked. When the error was corrected, both employees had negative compensatory leave balances.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

BROWN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on July 3, with Horace W. Hays, President of the Board; Rebecca S. Baugh, Director; and Bonnie J. Boas, Controller. The official response has been made a part of this report and may be found on page 9.



**BROWN COUNTY  
SOLID WASTE DISTRICT**

July 11, 2006

State Board of Accounts  
302 Washington Street, Room E418  
Indianapolis, IN 46204-2767

**OFFICIAL RESPONSE to July 3, 2006 Audit**

We appreciate the work performed by your auditors. We have followed their suggestions and immediately corrected the points in question. Again, we thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca Baugh".

Rebecca Baugh  
District Director,  
Brown County Solid Waste Management District