

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

EXAMINATION REPORT

OF

THREE RIVERS SOLID WASTE MANAGEMENT DISTRICT

HENRY, FAYETTE AND RUSH COUNTIES, INDIANA

January 1, 2003 to December 31, 2005



FILED
09/21/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Teresa Southerland	01-01-03 to 12-31-06
Controller	Lois Joyce Brenda Bockover	01-01-03 to 07-21-03 07-22-03 to 12-31-06
President of the Board	Donald Shaw	01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE THREE RIVERS SOLID WASTE MANAGEMENT
DISTRICT, HENRY, FAYETTE AND RUSH COUNTIES, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Three Rivers Solid Waste Management District (District), for the period of January 1, 2003 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, 2003, 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

August 14, 2006

THREE RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Fund: General	<u>\$ 252,241</u>	<u>\$ 234,308</u>	<u>\$ 298,196</u>	<u>\$ 188,353</u>
	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Fund: General	<u>\$ 188,353</u>	<u>\$ 241,423</u>	<u>\$ 245,323</u>	<u>\$ 184,453</u>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Fund: General	<u>\$ 184,453</u>	<u>\$ 181,860</u>	<u>\$ 207,669</u>	<u>\$ 158,644</u>

The accompanying notes are an integral part of the schedules.

THREE RIVERS SOLID WASTE MANAGEMENT DISTRICT
HENRY, FAYETTE AND RUSH COUNTIES
NOTES TO SCHEDULES

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides solid waste disposal, recycling and educational services for residents of Henry, Fayette, and Rush 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.

Note 4. 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.

Note 5. Withdrawal of Rush County from District

On December 31, 2004, the Rush County Commissioners withdrew from the Three Rivers Solid Waste Management District, a joint, multi-county solid waste management district. The Three Rivers Solid Waste Management District made provisions for division of both current and future revenues, and current and long-term obligations of both the remaining Joint District, and the newly formed Rush County Solid Waste Management District. Three Rivers Solid Waste Management District has assumed all required contractual commitments that remain, due to the withdrawal of Rush County from the District.

Note 6. Subsequent Event – Notice of Withdrawal from District

Fayette County has given notice that it is planning to withdraw from the Three Rivers Solid Waste Management District. As of the date of this report, the actual date of withdrawal has not yet been determined. Henry County will remain as the sole member, and become a single-county district at the time of Fayette County's eventual withdrawal.

THREE RIVERS SOLID WASTE MANAGEMENT DISTRICT
HENRY, FAYETTE AND RUSH COUNTIES
EXAMINATION RESULTS AND COMMENTS

BANK RECONCILEMENT

Record balances were reconciled to the checking account balance, but were not reconciled to all depository balances during the three year period.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were present during our period of audit:

- (1) There were a considerable number of posting errors. These errors included receipt numbers not recorded and general journal entries to decrease the listed expenditures in the various accounts, such as mileage, and to increase the expenditures in other accounts such as equipment repair.
- (2) Some transactions were recorded as "negative" receipts and disbursements.

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).

PRESCRIBED FORMS

The following prescribed or approved forms were not in use:

Form Number:

1. 99A Employee Service Record
2. 356 Combination Payroll and Expense Check
3. 358 Ledger of Receipts, Disbursements and Balances
4. 359 Ledger of Appropriation, Encumbrances, etc.
5. 360 Monthly Financial, Depository Statement and Reconciliation.

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)

Form 100R

The Form 100 R for 2004 was not presented for audit.

IC 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner within thirty (30) days after the close of each fiscal year."

THREE RIVERS SOLID WASTE MANAGEMENT DISTRICT
HENRY, FAYETTE AND RUSH COUNTIES
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2006, with Teresa Southerland, Director; and Brenda Bockover, Controller. The officials concurred with our findings.