

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

EXAMINATION REPORT
OF
RECYCLING AND WASTE REDUCTION
DISTRICT OF PORTER COUNTY
PORTER COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
10/29/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Therese Davis	01-01-05 to 12-31-07
Controller	Dawn Garmon	01-01-05 to 12-31-07
Chairman of the Board	John Evans	01-01-05 to 12-31-07



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE RECYCLING AND WASTE REDUCTION
DISTRICT OF PORTER COUNTY, PORTER COUNTY, INDIANA

We have examined the financial information presented herein of the Recycling and Waste Reduction District of Porter County (District), for the period of January 1, 2005 to December 31, 2006. The District's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 6, 2007

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2005 And 2006

	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
Governmental Funds:				
Solid Waste Management (General)	\$ 373,397	\$ 1,565,642	\$ 1,580,903	\$ 358,136
Nonreverting Capital Fund	<u>66,408</u>	<u>57,606</u>	<u>33,580</u>	<u>90,434</u>
Totals	<u>\$ 439,805</u>	<u>\$ 1,623,248</u>	<u>\$ 1,614,483</u>	<u>\$ 448,570</u>

	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
Governmental Funds:				
Solid Waste Management (General)	\$ 358,136	\$ 1,512,263	\$ 1,500,947	\$ 369,452
Nonreverting Capital Fund	<u>90,434</u>	<u>58,453</u>	<u>63,507</u>	<u>85,380</u>
Totals	<u>\$ 448,570</u>	<u>\$ 1,570,716</u>	<u>\$ 1,564,454</u>	<u>\$ 454,832</u>

The accompanying notes are an integral part of the financial information.

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides sanitation 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 user fees are received are subject to final approval by the Indiana Department of Local Government Finance.

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.

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 5. 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.

Note 6. Subsequent Event

On June 22, 2007, the District secured a \$500,000 loan at 4.35% due March 31, 2008, in anticipation of the collection of user fees included in property tax bills.

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 30,000
Buildings	24,745
Improvements other than buildings	24,962
Machinery and equipment	<u>309,176</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 388,883</u>

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASES

The District has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Dump Truck	\$ 18,437	\$ 9,020
2006 Ford Van	<u>\$ 10,446</u>	<u>\$ 5,060</u>
Total governmental activities long-term debt	<u>\$ 28,883</u>	<u>\$ 14,080</u>

RECYCLING AND WASTE REDUCTION DISTRICT OF PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2007, with Therese Davis, Executive Director; and Dawn Garmon, Controller. Our examination disclosed no material items that warrant comment at this time.