

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

EXAMINATION REPORT

OF

JAY COUNTY SOLID WASTE MANAGEMENT DISTRICT

JAY COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
11/13/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Kathleen R. Hayes	01-01-05 to 12-31-07
Controller	Kathleen R. Hayes	01-01-05 to 12-31-07
President of the District Board	Milo M. Miller, Jr.	01-01-05 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Jay County Solid Waste Management District (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 27, 2007

JAY COUNTY 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Fund:				
Solid Waste Management (General)	\$ 127,313	\$ 240,267	\$ 261,985	\$ 105,595
	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Fund:				
Solid Waste Management (General)	\$ 105,595	\$ 292,288	\$ 245,182	\$ 152,701

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

JAY COUNTY SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana to provide solid waste management services. It is a component unit of Jay County, but is governed by a Board whose members are appointed by various governmental subdivisions.

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, it is subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Tipping Fees

The majority of the District's collections are tipping fees collected by Waste Management, Inc., which operates the local landfill. Each month's fees are remitted to the District in the following month.

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.

JAY COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
For The Year Ended December 31, 2006

Capital assets are reported at actual historical cost. Contributed or donated assets are reported at estimated fair value at the time received. The District has no general infrastructure assets.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 24,740</u>

JAY COUNTY SOLID WASTE MANAGEMENT DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

The District has entered into the following long-term debt issue:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Loan Payable	\$ <u>53,590</u>	\$ <u>13,590</u>

JAY COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXAMINATION RESULT AND COMMENT

ADVANCE PAYMENT OF SALARIES

The Director received 1/26 of her annual salary biweekly, beginning on the first Friday of each year. This caused her to regularly receive some of her salary in advance.

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

JAY COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 27, 2007, with Kathleen R. Hayes, Director/Controller; and Milo M. Miller, Jr., President of the District Board. The officials concurred with our finding.