

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

EXAMINATION REPORT  
OF

FOUNTAIN COUNTY SOLID WASTE  
MANAGEMENT DISTRICT  
FOUNTAIN COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
11/05/2008



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OFFICIALS

Office

Official

Term

Controller

Colleen Chambers

01-01-06 to 12-31-08

President of the Board

David Ziegler  
Deon Swift

01-01-06 to 12-31-06  
01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Fountain County Solid Waste Management District (District), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 11, 2008

FOUNTAIN 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, 2006 And 2007

|         | Cash and<br>Investments<br>01-01-06 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-06 |
|---------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| General | \$ <u>301,560</u>                   | \$ <u>181,440</u> | \$ <u>161,203</u> | \$ <u>321,797</u>                   |
|         |                                     |                   |                   |                                     |
|         | Cash and<br>Investments<br>01-01-07 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-07 |
| General | \$ <u>321,797</u>                   | \$ <u>196,309</u> | \$ <u>161,110</u> | \$ <u>356,996</u>                   |

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

FOUNTAIN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides the following service: recycling.

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.

FOUNTAIN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The District has entered into the following debt:

| Description of Debt      | Ending<br>Principal<br>Balance | Principal and<br>Interest Due<br>Within One<br>Year |
|--------------------------|--------------------------------|-----------------------------------------------------|
| Governmental Activities: |                                |                                                     |
| Loans payable            | \$ 6,882                       | \$ 3,371                                            |

FOUNTAIN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

As stated in previous examination reports, receipts were not consistently issued as prescribed. Receipts were not issued sequentially. Receipts did not indicate if payment was by cash or check and did not indicate date received. Deposits were made during time periods when no receipts were issued, indicating that receipts were not always written for money received. Receipts cannot be reconciled to deposits due to the deficiencies in receipt issuance.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

INTEREST ON INVESTMENTS

We noted some instances where interest earned on investments was automatically added to the principal and not recorded in the records.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 15)

PRESCRIBED FORMS

The following prescribed or approved forms were not in use as prescribed:

| <u>Form Number</u> | <u>Form Name</u>        |
|--------------------|-------------------------|
| 350                | Register of Investments |
| 352                | Receipts                |

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)

CAPITAL ASSETS

As noted in the previous examination, capital asset information presented for audit did not indicate a complete inventory or up-to-date record of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable General Capital Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 16)

FOUNTAIN COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2008, with Colleen Chambers, Controller; and Deon Swift, President of the Board. The officials concurred with our findings.