B33162

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

EXAMINATION REPORT

OF

WABASH COUNTY SOLID WASTE MANAGEMENT DISTRICT

WABASH COUNTY, INDIANA

January 1, 2006 to December 31, 2007

FILED

11/05/2008

TABLE OF CONTENTS

OFFICIALS

Office	Official	Term
Director	Steve I. Johnson	01-01-06 to 12-31-08
Fiscal Officer	Ken E. Ahlfeld	01-01-06 to 12-31-08
President of the Solid Waste Management District Board	Brian Haupert	01-01-06 to 12-31-07
	Dean Eppley	01-01-08 to 12-31-08

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Wabash 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 Capital Assets, 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 30, 2008

WABASH 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 Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Solid Waste Management (General)	$ 735,565	$ 571,375	$ 467,352	$ 839,588

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Solid Waste Management (General)	$ 839,588	$ 817,339	$ 756,877	$ 900,050

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

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides services of disposal and management of solid waste.

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. 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. Pension Plan

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. The District is a member of Wabash County's PERF plan through an interlocal agreement. Funding requirements and actuarial information can be found in the Annual Report of Wabash County for the year 2007.

Note 6. Subsequent Event

At December 31, 2007, the District had drawn $322,315 of a $400,000 construction loan to complete a building renovation. The project will be completed during 2008.

WABASH COUNTY SOLID WASTE MANAGEMENT DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2007

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.

Primary Government	Ending Balance
Business-type activities:	
Solid Waste Management District:	
Capital assets, not being depreciated:	
Land	$ 145,750
Construction in progress	199,703
Buildings	176,687
Improvements other than buildings	6,239
Machinery and equipment	77,120
Total business-type activities capital assets	$ 605,499

WABASH COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXAMINATION RESULTS AND COMMENTS

COMPUTERIZED ACCOUNTING SYSTEM

The Solid Waste Management District utilizes the One-Write Plus software system to maintain its accounting records. This system is deficient in the areas of logical security and audit trails. A similar comment appeared in the prior Report B27366.

With regard to logical security, One-Write Plus does not provide for each user of the system to have their own unique identification code and password, nor does it allow for proper password security. The system also allows data files to be changed directly instead of requiring a transaction.

Access to information stored on the computer must be protected through the use of user identification codes and confidential passwords. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 11)

The One-Write Plus system documentation does not address audit trails.

Audit trails must be protected from modification and destruction. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 11)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. Voided or cleared checks were often included on the outstanding check list. Unidentified cash long at December 31, 2007, was $199.61.

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."

WABASH COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2008, with Ken E. Ahlfeld, Fiscal Officer; and Steve I. Johnson, Director.