

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

FINANCIAL STATEMENT EXAMINATION REPORT  
OF

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
TIPPECANOE COUNTY, INDIANA

January 1, 2011 to June 30, 2012

(FINAL AUDIT)



**FILED**  
08/06/2012



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	7
Notes to Financial Statement.....	8-11
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	14-15
Schedule of Payables and Receivables .....	16
Examination Result and Comment:	
Prescribed Forms .....	17
Exit Conference.....	18

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Dawn Boston	01-01-11 to 02-29-12
Controller	Dennis L. Hayden	01-01-11 to 06-30-12
President of the Board	C. Steven Frey	01-01-11 to 02-29-12



**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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WILDCAT CREEK SOLID WASTE  
MANAGEMENT DISTRICT, TIPPECANOE COUNTY, INDIANA

We have examined the financial statement of the Wildcat Creek Solid Waste Management District (District), for the period of January 1, 2011 to June 30, 2012. The District's management is responsible for the financial statement. 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 statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the District for the year ended December 31, 2011 and the period ended June 30, 2012, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Payables and Receivables as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the District's management, District Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 18, 2012

(This page intentionally left blank.)

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the District. The financial statement and notes are presented as intended by the District.

(This page intentionally left blank.)

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 And For The Period Ended June 30, 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 60-30-12
Solid Waste Management Fund	\$ 420,579	\$ 261,807	\$ 289,618	\$ 392,768	\$ 96,398	\$ 258,286	\$ 230,880
Excess Levy	690	-	690	-	-	-	-
Haz Mat Emergency Fund	72,114	238	-	72,352	-	72,352	-
Totals	<u>\$ 493,383</u>	<u>\$ 262,045</u>	<u>\$ 290,308</u>	<u>\$ 465,120</u>	<u>\$ 96,398</u>	<u>\$ 330,638</u>	<u>\$ 230,880</u>

The notes to the financial statement are an integral part of this statement.

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The District was established under the laws of the State of Indiana. The District operates under an appointed governing board.

The accompanying financial statement presents the financial information for the District.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the District.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The District may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the District. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the District. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the District in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the District submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 3. *Property Taxes***

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the District in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. *Deposits and Investments***

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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. *Risk Management***

The District may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the District to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the District by recording as a disbursement any replacement items purchased.

**Note 6. *Dissolution of District***

On November 21, 2011, and January 3, 2012, the Tippecanoe County Commissioners passed identical Resolutions Nos. 2011-50-CM and 2012-05-CM authorizing the withdrawal of Tippecanoe County from and the effective dissolution of the Wildcat Creek Solid Waste Management District.

On February 28 and 29, 2012, the Commissioners of Tippecanoe and Clinton Counties entered into an interlocal agreement for the dissolution of the Wildcat Creek Solid Waste Management District (District) to be effective February 29, 2012. The agreement provides for the elimination of employee positions as of the effective date. The District is to pay current accounts payable incurred through and including February 29, 2012 from its current assets. The District is to create an escrow account in the amount of \$10,140.00 for the payment of any unemployment compensation that may be due former employees of the District.

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

The agreement provides for the distribution of assets, including cash and equipment, to Tippecanoe County (80.4 percent) and Clinton County (19.6 percent).

The agreement also provides for the settlement and subsequent distribution of physical assets owned by the District. An aggregate book value of the assets was agreed upon to be \$102,411.63. Clinton County will retain assets in excess of the amount that would be available to them with the above percentages. This excess will be paid to Tippecanoe County from available cash and investment balances such that the ending amounts distributed to each County will equal the proper distribution percentages.

An Addendum to the interlocal agreement dated April 2, 2012, provided for the payment of bills and claims for accounts payable incurred after February 29, 2012 and for the payment of an interim distribution of net assets of the District in the amount of \$177,015.85. The distribution was made in accordance with the distribution percentages established in the original agreement. Payments were made to the newly established Wild Cat Solid Waste Management District of Clinton County (\$34,695.10) and Tippecanoe County Solid Waste Management District (\$142,320.75).

At June 30, 2012, the District had cash and investment assets in the amounts of \$230,879.53. Except for any final closing expenses and adjusted for the physical assets retained by Clinton County, the balances that would be due and owing are as follows:

Due to Escrow Account for Unemployment Compensation	\$ 10,140.00
Due to Clinton County Solid Waste Management District	2,233.53
Due to Tippecanoe County Solid Waste Management District	<u>218,506.00</u>
Total	<u>\$ 230,879.53</u>

(This page intentionally left blank.)

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Reports of the District which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the District. It is presented as intended by the District.

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	Solid Waste Management Fund	Excess Levy	Haz Mat Emergency Fund	Totals
Cash and investments - beginning	\$ 420,579	\$ 690	\$ 72,114	\$ 493,383
Receipts:				
Taxes	234,140	-	-	234,140
Intergovernmental	20,647	-	-	20,647
Other receipts	7,020	-	238	7,258
Total receipts	261,807	-	238	262,045
Disbursements:				
Supplies	2,828	-	-	2,828
Other services and charges	221,045	-	-	221,045
Capital outlay	65,745	-	-	65,745
Other disbursements	-	690	-	690
Total disbursements	289,618	690	-	290,308
Excess (deficiency) of receipts over disbursements	(27,811)	(690)	238	(28,263)
Cash and investments - ending	\$ 392,768	\$ -	\$ 72,352	\$ 465,120

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Period January 1, 2012 to June 30, 2012

	Solid Waste Management Fund	Haz Mat Emergency Fund	Totals
Cash and investments - beginning	\$ 392,768	\$ 72,352	\$ 465,120
Receipts:			
Taxes	9,514	-	9,514
Intergovernmental	4,313	-	4,313
Other receipts	<u>82,571</u>	<u>-</u>	<u>82,571</u>
Total receipts	<u>96,398</u>	<u>-</u>	<u>96,398</u>
Disbursements:			
Supplies	65	-	65
Other services and charges	81,205	-	81,205
Other disbursements	<u>177,016</u>	<u>72,352</u>	<u>249,368</u>
Total disbursements	<u>258,286</u>	<u>72,352</u>	<u>330,638</u>
Excess (deficiency) of receipts over disbursements	<u>(161,888)</u>	<u>(72,352)</u>	<u>(234,240)</u>
Cash and investments - ending	<u>\$ 230,880</u>	<u>\$ -</u>	<u>\$ 230,880</u>

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 230,880</u>	<u>\$ 1,261</u>

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
EXAMINATION RESULT AND COMMENT

***PRESCRIBED FORMS***

The District is not using the prescribed Ledger of Receipts, Disbursements and Balances (Form 358). The District uses Quickbooks, which has not been approved as an alternative system of forms.

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 Cities and Towns, Chapter 7)

WILDCAT CREEK SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on July 18, 2012, with Dennis L. Hayden, Controller, and C. Steven Frey, President of the Board of Directors.