

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

**FINANCIAL STATEMENT EXAMINATION REPORT  
OF**

**ST. JOSEPH COUNTY SOLID WASTE  
MANAGEMENT DISTRICT  
ST. JOSEPH COUNTY, INDIANA**

**January 1, 2011 to December 31, 2014**



**FILED**  
11/20/2015



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Randy Przybysz	01-01-11 to 12-31-15
Fiscal Officer	Peter Mullen	01-01-08 to 12-31-14
	Michael Hamann	01-01-15 to 12-31-15
President of the Board	Timothy Rouse	01-01-11 to 12-31-11
	Andrew Kostielney	01-01-12 to 12-31-13
	Marsha McClure	01-01-14 to 12-31-14
	Steve Vojtko	01-01-15 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT ACCOUNTANT'S REPORT**

TO: THE OFFICIALS OF THE ST. JOSEPH COUNTY SOLID WASTE  
MANAGEMENT DISTRICT, ST. JOSEPH COUNTY, INDIANA

We have examined the accompanying financial statement of the St. Joseph County Solid Waste Management District (District), for the period of January 1, 2011 to December 31, 2014. The financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement 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 Indiana 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District for the period of January 1, 2011 to December 31, 2014.

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 period of January 1, 2011 to December 31, 2014, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statement. The Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Capital Assets, 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

September 17, 2015

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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.

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ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2011, 2012, 2013, and 2014

<u>Fund</u>	<u>Cash and Investments 01-01-11</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-11</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-12</u>
Solid Waste Management Fund	<u>\$ 1,109,154</u>	<u>\$ 2,653,087</u>	<u>\$ 2,457,915</u>	<u>\$ 1,304,326</u>	<u>\$ 2,652,648</u>	<u>\$ 2,540,493</u>	<u>\$ 1,416,481</u>

  

<u>Fund</u>	<u>Cash and Investments 01-01-13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-14</u>
Solid Waste Management Fund	<u>\$ 1,416,481</u>	<u>\$ 2,271,135</u>	<u>\$ 2,560,162</u>	<u>\$ 1,127,454</u>	<u>\$ 2,488,582</u>	<u>\$ 2,588,153</u>	<u>\$ 1,027,883</u>

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

ST. JOSEPH COUNTY 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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:

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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.

*E. Disbursements*

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

ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

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.

*F. 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.

**Note 3. 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.

ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. 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.

**Note 5. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

#### OTHER INFORMATION - UNAUDITED

The District's 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 Report of the District which is 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 other information presented was approved by management of the District. It is presented as intended by the District.

ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2011

	Solid Waste Management Fund
Cash and investments - beginning	\$ 1,109,154
Receipts:	
Charges for services	2,544,662
Other receipts	<u>108,425</u>
Total receipts	<u>2,653,087</u>
Disbursements:	
Personal services	379,066
Supplies	3,528
Other services and charges	<u>2,075,321</u>
Total disbursements	<u>2,457,915</u>
Excess (deficiency) of receipts over disbursements	<u>195,172</u>
Cash and investments - ending	<u><u>\$ 1,304,326</u></u>

ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012

	Solid Waste Management Fund
Cash and investments - beginning	\$ 1,304,326
Receipts:	
Charges for services	2,475,866
Other receipts	<u>176,782</u>
Total receipts	<u>2,652,648</u>
Disbursements:	
Personal services	405,781
Supplies	3,676
Other services and charges	<u>2,131,036</u>
Total disbursements	<u>2,540,493</u>
Excess (deficiency) of receipts over disbursements	<u>112,155</u>
Cash and investments - ending	<u><u>\$ 1,416,481</u></u>

ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2013

	Solid Waste Management Fund
Cash and investments - beginning	\$ 1,416,481
Receipts:	
Charges for services	2,266,111
Other receipts	<u>5,024</u>
Total receipts	<u>2,271,135</u>
Disbursements:	
Personal services	391,645
Supplies	3,324
Other services and charges	<u>2,165,193</u>
Total disbursements	<u>2,560,162</u>
Excess (deficiency) of receipts over disbursements	<u>(289,027)</u>
Cash and investments - ending	<u><u>\$ 1,127,454</u></u>



ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2014

	Solid Waste Management Fund
Cash and investments - beginning	\$ 1,127,454
Receipts:	
Charges for services	1,929,073
Other receipts	<u>559,509</u>
Total receipts	<u>2,488,582</u>
Disbursements:	
Personal services	406,356
Supplies	2,208
Other services and charges	<u>2,179,589</u>
Total disbursements	<u>2,588,153</u>
Excess (deficiency) of receipts over disbursements	<u>(99,571)</u>
Cash and investments - ending	<u><u>\$ 1,027,883</u></u>

ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 15,224</u>	<u>\$ 550,000</u>

ST. JOSEPH COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2014

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.

	Ending Balance
Governmental activities:	
Buildings	\$ 50,000
Machinery, equipment, and vehicles	29,319
Books and other	<u>24,683</u>
Total capital assets	<u>\$ 104,002</u>

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the District. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.