

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

FALL CREEK REGIONAL WASTE DISTRICT

MADISON COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**  
02/12/2016



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	7
Notes to Financial Statement .....	8-10
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	12-15
Schedule of Payables .....	17
Schedule of Debt .....	18
Schedule of Capital Assets.....	19
Other Reports.....	20

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager	Joseph E. Rowlett	01-01-11 to 12-31-15
Assistant General Manager	Teresa K. Hutton	01-01-11 to 12-31-15
Treasurer	Greg Valentine	01-01-11 to 12-31-15
President of the Board	Mark Jablonski	01-01-11 to 12-31-15



**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 FALL CREEK REGIONAL WASTE DISTRICT, MADISON COUNTY, INDIANA

We have examined the accompanying financial statement of the Fall Creek Regional Waste 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 Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables, Schedule of Debt, 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

October 28, 2015

(This page intentionally left blank.)

## 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.

(This page intentionally left blank.)



FALL CREEK REGIONAL WASTE DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2011, 2012, 2013, and 2014

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General Fund	\$ 196,076	\$ 5,601,245	\$ 5,376,486	\$ 420,835	\$ 5,265,255	\$ 5,114,549	\$ 571,541
Cumulative Improvement	1,319,857	10,628	-	1,330,485	4,180	-	1,334,665
2010 Debt Service CD	-	88,296	-	88,296	-	-	88,296
Payroll	-	-	-	-	-	-	-
Capacity Fee	3,251,602	320,978	39,200	3,533,380	53,965	19,440	3,567,905
Open Market Debt Service Reserve	375,770	-	375,770	-	-	-	-
Operating Investment	243,315	676	-	243,991	542	-	244,533
Preferred Liquidity	83,461	57	-	83,518	25,075	-	108,593
Principal & Interest	400,419	849,509	608,241	641,687	831,923	768,240	705,370
SRF Debt Service Reserve	818,221	-	-	818,221	10,419	71,140	757,500
<b>Totals</b>	<b>\$ 6,688,721</b>	<b>\$ 6,871,389</b>	<b>\$ 6,399,697</b>	<b>\$ 7,160,413</b>	<b>\$ 6,191,359</b>	<b>\$ 5,973,369</b>	<b>\$ 7,378,403</b>

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
General Fund	\$ 571,541	\$ 4,417,483	\$ 4,389,506	\$ 599,518	\$ 5,169,793	\$ 5,310,079	\$ 459,232
Cumulative Improvement	1,334,665	2,672	-	1,337,337	2,677	-	1,340,014
2010 Debt Service CD	88,296	-	-	88,296	-	-	88,296
Payroll	-	-	-	-	1,081,585	1,081,585	-
Capacity Fee	3,567,905	60,400	-	3,628,305	80,250	600,846	3,107,709
Open Market Debt Service Reserve	-	-	-	-	-	-	-
Operating Investment	244,533	486	-	245,019	486	-	245,505
Preferred Liquidity	108,593	65	-	108,658	39	-	108,697
Principal & Interest	705,370	828,693	820,177	713,886	926,308	818,141	822,053
SRF Debt Service Reserve	757,500	-	-	757,500	-	-	757,500
<b>Totals</b>	<b>\$ 7,378,403</b>	<b>\$ 5,309,799</b>	<b>\$ 5,209,683</b>	<b>\$ 7,478,519</b>	<b>\$ 7,261,138</b>	<b>\$ 7,810,651</b>	<b>\$ 6,929,006</b>

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

FALL CREEK REGIONAL WASTE 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 may 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.

FALL CREEK REGIONAL WASTE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*E. Disbursements*

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

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.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

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. 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.

FALL CREEK REGIONAL WASTE DISTRICT  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.

**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***

The District contributes to a pension plan unique to the District. Information regarding this plan may be obtained from the District.

#### OTHER INFORMATION - UNAUDITED

The District's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

The District's Annual Report information for years 2011 and later 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 other information presented was approved by management of the District. It is presented as intended by the District.

FALL CREEK REGIONAL WASTE DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2011

	General Fund	Cumulative Improvement	2010 Debt Service CD	Payroll	Capacity Fee	Open Market Debt Service Reserve	Operating Investment	Preferred Liquidity	Principal & Interest	SRF Debt Service Reserve	Totals
Cash and investments - beginning	\$ 196,076	\$ 1,319,857	\$ -	\$ -	\$ 3,251,602	\$ 375,770	\$ 243,315	\$ 83,461	\$ 400,419	\$ 818,221	\$ 6,688,721
Receipts:											
Charges for services	3,734,168	-	-	-	-	-	-	-	-	-	3,734,168
Other receipts	1,867,077	10,628	88,296	-	320,978	-	676	57	849,509	-	3,137,221
Total receipts	5,601,245	10,628	88,296	-	320,978	-	676	57	849,509	-	6,871,389
Disbursements:											
Personal services	1,310,649	-	-	-	-	-	-	-	-	-	1,310,649
Supplies	267,490	-	-	-	-	-	-	-	-	-	267,490
Other services and charges	779,626	-	-	-	-	-	-	-	-	-	779,626
Debt service - principal and interest	608,241	-	-	-	-	-	-	-	-	-	608,241
Capital outlay	251,649	-	-	-	-	-	-	-	-	-	251,649
Other disbursements	2,158,831	-	-	-	39,200	375,770	-	-	608,241	-	3,182,042
Total disbursements	5,376,486	-	-	-	39,200	375,770	-	-	608,241	-	6,399,697
Excess (deficiency) of receipts over disbursements	224,759	10,628	88,296	-	281,778	(375,770)	676	57	241,268	-	471,692
Cash and investments - ending	\$ 420,835	\$ 1,330,485	\$ 88,296	\$ -	\$ 3,533,380	\$ -	\$ 243,991	\$ 83,518	\$ 641,687	\$ 818,221	\$ 7,160,413

FALL CREEK REGIONAL WASTE DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012

	General Fund	Cumulative Improvement	2010 Debt Service CD	Payroll	Capacity Fee	Open Market Debt Service Reserve	Operating Investment	Preferred Liquidity	Principal & Interest	SRF Debt Service Reserve	Totals
Cash and investments - beginning	\$ 420,835	\$ 1,330,485	\$ 88,296	\$ -	\$ 3,533,380	\$ -	\$ 243,991	\$ 83,518	\$ 641,687	\$ 818,221	\$ 7,160,413
Receipts:											
Charges for services	3,646,912	-	-	-	-	-	-	-	-	-	3,646,912
Other receipts	1,618,343	4,180	-	-	53,965	-	542	25,075	831,923	10,419	2,544,447
Total receipts	5,265,255	4,180	-	-	53,965	-	542	25,075	831,923	10,419	6,191,359
Disbursements:											
Personal services	1,335,069	-	-	-	-	-	-	-	-	-	1,335,069
Supplies	245,182	-	-	-	-	-	-	-	-	-	245,182
Other services and charges	754,219	-	-	-	-	-	-	-	-	-	754,219
Debt service - principal and interest	499,430	-	-	-	-	-	-	-	-	-	499,430
Capital outlay	198,689	-	-	-	-	-	-	-	-	-	198,689
Other disbursements	2,081,960	-	-	-	19,440	-	-	-	768,240	71,140	2,940,780
Total disbursements	5,114,549	-	-	-	19,440	-	-	-	768,240	71,140	5,973,369
Excess (deficiency) of receipts over disbursements	150,706	4,180	-	-	34,525	-	542	25,075	63,683	(60,721)	217,990
Cash and investments - ending	\$ 571,541	\$ 1,334,665	\$ 88,296	\$ -	\$ 3,567,905	\$ -	\$ 244,533	\$ 108,593	\$ 705,370	\$ 757,500	\$ 7,378,403

FALL CREEK REGIONAL WASTE DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	General Fund	Cumulative Improvement	2010 Debt Service CD	Payroll	Capacity Fee	Open Market Debt Service Reserve	Operating Investment	Preferred Liquidity	Principal & Interest	SRF Debt Service Reserve	Totals
Cash and investments - beginning	\$ 571,541	\$ 1,334,665	\$ 88,296	\$ -	\$ 3,567,905	\$ -	\$ 244,533	\$ 108,593	\$ 705,370	\$ 757,500	\$ 7,378,403
Receipts:											
Charges for services	3,591,978	-	-	-	-	-	-	-	-	-	3,591,978
Other receipts	825,505	2,672	-	-	60,400	-	486	65	828,693	-	1,717,821
Total receipts	4,417,483	2,672	-	-	60,400	-	486	65	828,693	-	5,309,799
Disbursements:											
Personal services	1,406,029	-	-	-	-	-	-	-	-	-	1,406,029
Supplies	188,877	-	-	-	-	-	-	-	-	-	188,877
Other services and charges	806,454	-	-	-	-	-	-	-	480	-	806,934
Debt service - principal and interest	819,696	-	-	-	-	-	-	-	-	-	819,696
Capital outlay	260,383	-	-	-	-	-	-	-	-	-	260,383
Other disbursements	908,067	-	-	-	-	-	-	-	819,697	-	1,727,764
Total disbursements	4,389,506	-	-	-	-	-	-	-	820,177	-	5,209,683
Excess (deficiency) of receipts over disbursements	27,977	2,672	-	-	60,400	-	486	65	8,516	-	100,116
Cash and investments - ending	\$ 599,518	\$ 1,337,337	\$ 88,296	\$ -	\$ 3,628,305	\$ -	\$ 245,019	\$ 108,658	\$ 713,886	\$ 757,500	\$ 7,478,519



FALL CREEK REGIONAL WASTE DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	General Fund	Cumulative Improvement	2010 Debt Service CD	Payroll	Capacity Fee	Open Market Debt Service Reserve	Operating Investment	Preferred Liquidity	Principal & Interest	SRF Debt Service Reserve	Totals
Cash and investments - beginning	\$ 599,518	\$ 1,337,337	\$ 88,296	\$ -	\$ 3,628,305	\$ -	\$ 245,019	\$ 108,658	\$ 713,886	\$ 757,500	\$ 7,478,519
Receipts:											
Charges for services	3,745,602	-	-	-	-	-	-	-	-	-	3,745,602
Other receipts	1,424,191	2,677	-	1,081,585	80,250	-	486	39	926,308	-	3,515,536
Total receipts	5,169,793	2,677	-	1,081,585	80,250	-	486	39	926,308	-	7,261,138
Disbursements:											
Personal services	1,531,540	-	-	-	-	-	-	-	-	-	1,531,540
Supplies	254,616	-	-	-	-	-	-	-	-	-	254,616
Other services and charges	779,462	-	-	-	-	-	-	-	-	-	779,462
Debt service - principal and interest	817,621	-	-	-	-	-	-	-	-	-	817,621
Capital outlay	900,183	-	-	-	-	-	-	-	-	-	900,183
Other disbursements	1,026,657	-	-	1,081,585	600,846	-	-	-	818,141	-	3,527,229
Total disbursements	5,310,079	-	-	1,081,585	600,846	-	-	-	818,141	-	7,810,651
Excess (deficiency) of receipts over disbursements	(140,286)	2,677	-	-	(520,596)	-	486	39	108,167	-	(549,513)
Cash and investments - ending	\$ 459,232	\$ 1,340,014	\$ 88,296	\$ -	\$ 3,107,709	\$ -	\$ 245,505	\$ 108,697	\$ 822,053	\$ 757,500	\$ 6,929,006

(This page intentionally left blank.)

FALL CREEK REGIONAL WASTE DISTRICT  
SCHEDULE OF PAYABLES  
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>
Governmental activities	<u>\$ 35,327</u>

FALL CREEK REGIONAL WASTE DISTRICT  
SCHEDULE OF DEBT  
December 31, 2014

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Revenue bonds	Sewage Works SRF Revenue Bonds of 1997	\$ 140,000	\$ 13,915
Revenue bonds	Sewage Works BIF Revenue Bonds of 2000 - Series B	2,280,000	111,000
Revenue bonds	Sewage Works Refunding Revenue Bonds Series 2012	<u>3,765,000</u>	<u>810,233</u>
Totals		<u>\$ 6,185,000</u>	<u>\$ 935,148</u>

FALL CREEK REGIONAL WASTE 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:	
Land	\$ 116,468
Infrastructure	1,250,395
Buildings	153,487
Improvements other than buildings	603,494
Machinery, equipment, and vehicles	1,099,243
Construction in progress	675,945
Total governmental activities	3,899,032
Total capital assets	\$ 3,899,032

#### 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/>.