

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

FALL CREEK REGIONAL WASTE DISTRICT

MADISON COUNTY, INDIANA

January 1, 2011 to December 31, 2014



**FILED**

02/12/2016



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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



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AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE FALL CREEK REGIONAL WASTE DISTRICT, MADISON COUNTY, INDIANA

This report is supplemental to our examination report of the Fall Creek Regional Waste District (District), for the period from January 1, 2011 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the District. It should be read in conjunction with our Financial Statement Examination Report of the District, which provides our opinion on the District's financial statement. This report may be found at [www.in.gov/sboa](http://www.in.gov/sboa).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Result and Comment, incorporated within this report, was not verified for accuracy.

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

October 28, 2015

FALL CREEK REGIONAL WASTE DISTRICT  
EXAMINATION RESULT AND COMMENT

**GIFT CARDS**

A total of \$3,230 was expended for gift cards given to District employees for service awards during the examination period.

In an explanation of de minimis fringe benefits, information available on the Internal Revenue Service website states:

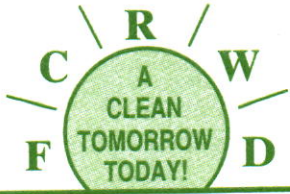
"Cash or cash equivalent items provided by the employer are never excludable from income. An exception applies for occasional meal money or transportation fare to allow an employee to work beyond normal hours. Gift certificates that are redeemable for general merchandise or have a cash equivalent value are not de minimis benefits and are taxable."

"If the benefits qualify for exclusion, no reporting is necessary. If they are taxable, they should be included in wages on Form W-2 and subject to income tax withholding. If the employees are covered for social security and Medicare, the value of the benefits are also subject to withholding for these taxes. You may optionally report any information in box 14 of Form W-2."

No taxes were withheld relative to the gift cards and the gift card amounts were not reported on the W-2 forms issued for 2011, 2012, 2013, or 2014.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 14)

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)



## FALL CREEK REGIONAL WASTE DISTRICT

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November 5, 2015

Indiana State Board of Accounts  
302 W. Washington Street  
Room E-418  
Indianapolis, IN 46204-2769

Re: Fall Creek Regional Waste District  
2011 to 2014 State Board of Accounts Examination

To Whom It May Concern:

The Fall Creek Regional Waste District is pleased to learn that the Indiana State Board of Accounts has again found no exceptions with the District's financial statements in the SBOA's most recent audit of the District's records for years 2011 through 2014. The District and its staff take great pride in continuing to maintain thorough and accurate financial practices and records.

During the October 28 exit interview, the SBOA auditors raised a single comment relating to taxes on recognition gift cards provided to District employees. In appreciation of the long-term commitment and service of its employees, the District awards small gift cards once a year to employees that have reached notable service anniversaries. The gift cards are authorized each year by the District's Board of Trustees, both within the District's salary ordinance and also as a part of the applicable monthly claims approval process. During the exit interview, the SBOA advised that these gift cards also should be reported on the employees' W-2 forms for individual tax purposes. The District thanks the SBOA for identifying this issue, and the District notes that it has already contacted its payroll service provider to ensure proper tax reporting with respect to the recognition gift cards.

Sincerely,

  
Joseph F. Rowlett  
General Manager

FALL CREEK REGIONAL WASTE DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2015, with Joseph E. Rowlett, General Manager; Teresa K. Hutton, Assistant General Manager; and Mark Jablonski, President of the Board.