

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

SUMMIT SPRINGS REGIONAL WASTE DISTRICT

HENRY COUNTY, INDIANA

January 1, 2012 to December 31, 2014



FILED
03/15/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Amanda Rains Patricia Yapp	01-01-12 to 07-31-14 08-01-14 to 12-31-15
President of the Board	Dennis Crum Betty Gipe	01-01-12 to 07-15-12 07-16-12 to 12-31-15
Superintendent	Jerry Sherwood	01-01-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SUMMIT SPRINGS REGIONAL
WASTE DISTRICT, HENRY COUNTY, INDIANA

We have examined the accompanying financial statement of the Summit Springs Regional Waste District (District), for the period of January 1, 2012 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, 2012 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, 2012 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 and Receivables, Schedule of Leases and 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

November 30, 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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SUMMIT SPRINGS REGIONAL WASTE DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31 2012, 2013, and 2014

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 42,004
Depreciation	\$ 24,468	\$ 12,000	\$ 31,320	\$ 5,148	\$ 12,000	\$ 15,179	\$ 1,969	\$ 12,000	\$ -	\$ 13,969
Fmha	75,395	27,646	26,100	76,941	27,629	38,988	65,582	11,516	56,993	20,105
Improvement Fund	52,026	287	-	52,313	115	-	52,428	127	12,523	40,032
Operations	2,885	174,981	166,574	11,292	183,828	194,570	550	226,330	226,228	652
Srf	7,887	18,000	21,686	4,201	9,000	3,375	9,826	36,593	39,996	6,423
Payroll	-	55,273	55,273	-	54,993	54,993	-	54,284	54,284	-
Totals	<u>\$ 162,661</u>	<u>\$ 288,187</u>	<u>\$ 300,953</u>	<u>\$ 149,895</u>	<u>\$ 287,565</u>	<u>\$ 307,105</u>	<u>\$ 130,355</u>	<u>\$ 340,850</u>	<u>\$ 390,024</u>	<u>\$ 81,181</u>

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

SUMMIT SPRINGS 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 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:

SUMMIT SPRINGS REGIONAL WASTE 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.

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.

Utility operating expenses which include all outflows for operating the utilities.

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 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. Prior to December 31, the governing board approves the budget for the next year.

SUMMIT SPRINGS 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 settlement. 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.

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 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.

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

	Depreciation	Fmha	Improvement Fund	Operations	Srf	Payroll	Totals
Cash and investments - beginning	\$ 24,468	\$ 75,395	\$ 52,026	\$ 2,885	\$ 7,887	\$ -	\$ 162,661
Receipts:							
Charges for services	-	-	-	174,981	-	-	174,981
Other receipts	12,000	27,646	287	-	18,000	55,273	113,206
Total receipts	12,000	27,646	287	174,981	18,000	55,273	288,187
Disbursements:							
Personal services	-	-	-	-	-	55,273	55,273
Supplies	-	-	-	8,453	-	-	8,453
Other services and charges	-	-	-	45,248	-	-	45,248
Debt service - principal and interest	-	26,100	-	-	21,686	-	47,786
Capital outlay	31,320	-	-	-	-	-	31,320
Other disbursements	-	-	-	112,873	-	-	112,873
Total disbursements	31,320	26,100	-	166,574	21,686	55,273	300,953
Excess (deficiency) of receipts over disbursements	(19,320)	1,546	287	8,407	(3,686)	-	(12,766)
Cash and investments - ending	\$ 5,148	\$ 76,941	\$ 52,313	\$ 11,292	\$ 4,201	\$ -	\$ 149,895

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

	Depreciation	Fmha	Improvement Fund	Operations	Srf	Payroll	Totals
Cash and investments - beginning	\$ 5,148	\$ 76,941	\$ 52,313	\$ 11,292	\$ 4,201	\$ -	\$ 149,895
Receipts:							
Charges for services	-	-	-	157,282	-	-	157,282
Other receipts	12,000	27,629	115	26,546	9,000	54,993	130,283
Total receipts	12,000	27,629	115	183,828	9,000	54,993	287,565
Disbursements:							
Personal services	-	-	-	-	-	54,993	54,993
Supplies	-	-	-	3,910	-	-	3,910
Other services and charges	-	-	-	87,067	-	-	87,067
Debt service - principal and interest	-	25,250	-	-	3,375	-	28,625
Capital outlay	15,179	-	-	-	-	-	15,179
Other disbursements	-	13,738	-	103,593	-	-	117,331
Total disbursements	15,179	38,988	-	194,570	3,375	54,993	307,105
Excess (deficiency) of receipts over disbursements	(3,179)	(11,359)	115	(10,742)	5,625	-	(19,540)
Cash and investments - ending	\$ 1,969	\$ 65,582	\$ 52,428	\$ 550	\$ 9,826	\$ -	\$ 130,355

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

	Depreciation	Fmha	Improvement Fund	Operations	Srf	Payroll	Totals
Cash and investments - beginning	\$ 1,969	\$ 65,582	\$ 52,428	\$ 550	\$ 9,826	\$ -	\$ 130,355
Receipts:							
Charges for services	-	-	-	200,818	-	-	200,818
Other receipts	12,000	11,516	127	25,512	36,593	54,284	140,032
Total receipts	12,000	11,516	127	226,330	36,593	54,284	340,850
Disbursements:							
Personal services	-	-	-	-	-	54,284	54,284
Supplies	-	-	-	4,985	-	-	4,985
Debt service - principal and interest	-	25,400	-	-	39,996	-	65,396
Capital outlay	-	-	-	12,500	-	-	12,500
Other disbursements	-	31,593	12,523	208,743	-	-	252,859
Total disbursements	-	56,993	12,523	226,228	39,996	54,284	390,024
Excess (deficiency) of receipts over disbursements	12,000	(45,477)	(12,396)	102	(3,403)	-	(49,174)
Cash and investments - ending	\$ 13,969	\$ 20,105	\$ 40,033	\$ 652	\$ 6,423	\$ -	\$ 81,181

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Summit Springs Regional Waste District	<u>\$ 4,956</u>	<u>\$ 42,291</u>

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	FMHA	\$ 134,577	\$ 25,500
Revenue bonds	SRF	<u>162,717</u>	<u>18,594</u>
Totals		<u>\$ 297,294</u>	<u>\$ 44,094</u>

SUMMIT SPRINGS 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	\$ 120,488
Infrastructure	600,000
Buildings	544,850
Machinery, equipment, and vehicles	34,200
Total governmental activities	1,299,538
Total capital assets	\$ 1,299,538

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/>.