

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
POSEY COUNTY, INDIANA
January 1, 2011 to December 31, 2015



FILED
04/10/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	7-9
Notes to Financial Statements.....	10-13
Other Information - Unexamined:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	16-20
Schedule of Leases and Debt	21
Other Reports.....	22

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Patricia Bunner Colbert	01-01-11 to 12-31-17
Controller	Ronald Bennett	01-01-11 to 12-31-17
President of the Board	Steve Fuelling	01-01-11 to 12-31-12
	Martin Redman	01-01-13 to 12-31-16
	Larry Williams	01-01-17 to 12-31-17



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE POSEY COUNTY SOLID WASTE
MANAGEMENT DISTRICT, POSEY COUNTY, INDIANA

We have examined the accompanying financial statements of the Posey County Solid Waste Management District (District), for the period of January 1, 2011 to December 31, 2015. The District's management is responsible for the financial statements. 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 statements 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 to the financial statements, the District prepares its financial statements 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 statements 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 statements referred to above do not present, 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, 2015.

In our opinion, the financial statements referred to above present, in all material respects, the financial position and results of operations of the District for the period of January 1, 2011 to December 31, 2015, based on the prescribed basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

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

February 21, 2017

(This page intentionally left blank.)

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

(This page intentionally left blank.)

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

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 112,144	\$ 926,849	\$ 641,875	\$ 397,118	\$ 652,940	\$ 739,980	\$ 310,078
Levy Excess Fund	1,626	-	1,626	-	-	-	-
Payroll	-	483,554	483,554	-	510,710	510,710	-
Totals	<u>\$ 113,770</u>	<u>\$ 1,410,403</u>	<u>\$ 1,127,055</u>	<u>\$ 397,118</u>	<u>\$ 1,163,650</u>	<u>\$ 1,250,690</u>	<u>\$ 310,078</u>

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

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

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	\$ 310,078	\$ 805,782	\$ 803,343	\$ 312,517	\$ 612,560	\$ 737,658	\$ 187,419
Payroll	-	508,514	504,845	3,669	567,735	571,404	-
Totals	<u>\$ 310,078</u>	<u>\$ 1,314,296</u>	<u>\$ 1,308,188</u>	<u>\$ 316,186</u>	<u>\$ 1,180,295</u>	<u>\$ 1,309,062</u>	<u>\$ 187,419</u>

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

POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
General Fund	\$ 187,419	\$ 993,281	\$ 1,053,145	\$ 127,555
Payroll	-	517,017	517,017	-
Totals	<u>\$ 187,419</u>	<u>\$ 1,510,298</u>	<u>\$ 1,570,162</u>	<u>\$ 127,555</u>

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

POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS

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 statements present the financial information for the District.

B. Basis of Accounting

The financial statements are 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 statements. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Other receipts. Amounts received from various sources, including, but 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 statements. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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.

POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Interfund Transfers

The District may, from time to time, make transfers 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 amounts 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 amounts 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. 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.

POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statutes authorize the District to invest in securities including, but not limited to, the following: 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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

(This page intentionally left blank.)

OTHER INFORMATION - UNEXAMINED

The District's Annual Financial 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 statements contained in this report and the financial information presented in the District's Annual Financial Report 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.

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

	General	Levy Excess Fund	Payroll	Totals
Cash and investments - beginning	\$ 112,144	\$ 1,626	\$ -	\$ 113,770
Receipts:				
Taxes	746,308	-	-	746,308
Intergovernmental receipts	36,204	-	-	36,204
Fines and forfeits	142,710	-	-	142,710
Other receipts	<u>1,627</u>	<u>-</u>	<u>483,554</u>	<u>485,181</u>
Total receipts	<u>926,849</u>	<u>-</u>	<u>483,554</u>	<u>1,410,403</u>
Disbursements:				
Personal services	494,778	-	-	494,778
Supplies	33,389	-	-	33,389
Other services and charges	44,191	-	-	44,191
Capital outlay	69,517	-	-	69,517
Other disbursements	<u>-</u>	<u>1,626</u>	<u>483,554</u>	<u>485,180</u>
Total disbursements	<u>641,875</u>	<u>1,626</u>	<u>483,554</u>	<u>1,127,055</u>
Excess (deficiency) of receipts over disbursements	<u>284,974</u>	<u>(1,626)</u>	<u>-</u>	<u>283,348</u>
Cash and investments - ending	<u>\$ 397,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,118</u>

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

	General	Levy Excess Fund	Payroll	Totals
Cash and investments - beginning	\$ 397,118	\$ -	\$ -	\$ 397,118
Receipts:				
Taxes	526,950	-	-	526,950
Intergovernmental receipts	18,439	-	-	18,439
Other receipts	107,551	-	510,710	618,261
Total receipts	<u>652,940</u>	<u>-</u>	<u>510,710</u>	<u>1,163,650</u>
Disbursements:				
Personal services	500,341	-	-	500,341
Supplies	35,001	-	-	35,001
Other services and charges	56,186	-	-	56,186
Debt service - principal and interest	2,000	-	-	2,000
Capital outlay	118,232	-	-	118,232
Other disbursements	28,220	-	510,710	538,930
Total disbursements	<u>739,980</u>	<u>-</u>	<u>510,710</u>	<u>1,250,690</u>
Deficiency of receipts over disbursements	<u>(87,040)</u>	<u>-</u>	<u>-</u>	<u>(87,040)</u>
Cash and investments - ending	<u>\$ 310,078</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,078</u>

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

	General Fund	Payroll	Totals
Cash and investments - beginning	\$ 310,078	\$ -	\$ 310,078
Receipts:			
Taxes	586,932	-	586,932
Intergovernmental receipts	3,417	-	3,417
Other receipts	<u>215,433</u>	<u>508,514</u>	<u>723,947</u>
Total receipts	<u>805,782</u>	<u>508,514</u>	<u>1,314,296</u>
Disbursements:			
Personal services	522,520	-	522,520
Supplies	27,563	-	27,563
Other services and charges	81,482	-	81,482
Debt service - principal and interest	30,875	-	30,875
Capital outlay	136,971	-	136,971
Other disbursements	<u>3,932</u>	<u>504,845</u>	<u>508,777</u>
Total disbursements	<u>803,343</u>	<u>504,845</u>	<u>1,308,188</u>
Excess of receipts over disbursements	<u>2,439</u>	<u>3,669</u>	<u>6,108</u>
Cash and investments - ending	<u>\$ 312,517</u>	<u>\$ 3,669</u>	<u>\$ 316,186</u>

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

	General Fund	Payroll	Totals
	<u> </u>	<u> </u>	<u> </u>
Cash and investments - beginning	\$ 312,517	\$ 3,669	\$ 316,186
Receipts:			
Taxes	578,240	-	578,240
Intergovernmental receipts	3,523	-	3,523
Charges for services	25,226	-	25,226
Other receipts	<u>5,571</u>	<u>567,735</u>	<u>573,306</u>
Total receipts	<u>612,560</u>	<u>567,735</u>	<u>1,180,295</u>
Disbursements:			
Personal services	580,962	-	580,962
Supplies	29,363	-	29,363
Other services and charges	59,312	-	59,312
Debt service - principal and interest	15,000	-	15,000
Capital outlay	39,403	-	39,403
Other disbursements	<u>13,618</u>	<u>571,404</u>	<u>585,022</u>
Total disbursements	<u>737,658</u>	<u>571,404</u>	<u>1,309,062</u>
Deficiency of receipts over disbursements	<u>(125,098)</u>	<u>(3,669)</u>	<u>(128,767)</u>
Cash and investments - ending	<u>\$ 187,419</u>	<u>\$ -</u>	<u>\$ 187,419</u>

POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	General Fund	Payroll	Totals
	<u> </u>	<u> </u>	<u> </u>
Cash and investments - beginning	\$ 187,419	\$ -	\$ 187,419
Receipts:			
Taxes	595,093	-	595,093
Intergovernmental receipts	3,671	-	3,671
Charges for services	78,832	-	78,832
Other receipts	<u>315,685</u>	<u>517,017</u>	<u>832,702</u>
Total receipts	<u>993,281</u>	<u>517,017</u>	<u>1,510,298</u>
Disbursements:			
Personal services	530,052	-	530,052
Supplies	20,357	-	20,357
Other services and charges	138,135	-	138,135
Debt service - principal and interest	92,677	-	92,677
Capital outlay	259,412	-	259,412
Other disbursements	<u>12,512</u>	<u>517,017</u>	<u>529,529</u>
Total disbursements	<u>1,053,145</u>	<u>517,017</u>	<u>1,570,162</u>
Deficiency of receipts under disbursements	<u>(59,864)</u>	<u>-</u>	<u>(59,864)</u>
Cash and investments - ending	<u>\$ 127,555</u>	<u>\$ -</u>	<u>\$ 127,555</u>

POSEY COUNTY SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Schrokuri Properties	Recycle Center	\$ 8,400	5/1/2015	5/1/2025
J. H. Rudolph Co	Recycle Center	13,000	1/31/2015	1/31/2035
William and Norma Butler	Yard Site	<u>2,200</u>	9/17/2013	11/1/2018
Total governmental activities		<u>23,600</u>		
Total of annual lease payments		<u>\$ 23,600</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	General Temporary Loans	<u>\$ 75,000</u>	<u>\$ 3,188</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.inb.gov/sboa>.