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April 10, 2019


Board of Trustees
Summit Springs Regional Waste District
P.O. Box 56
Sulphur Springs, IN 47388

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Summit Springs Regional Waste District. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2015 to December 31, 2016. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Summit Springs Regional Waste District as of December 31, 2015 and 2016, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for Summit Springs Regional Waste District was prepared for the period January 1, 2015 to December 31, 2017, in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
Henry County, Indiana

FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
Henry County, Indiana

FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

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SUMMIT SPRINGS REGIONAL WASTE DISTRICT
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2015, 2016 and 2017

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Patricia Yapp	01-01-15 to 12-31-17
President of the Board	Betty Gipe	01-01-15 to 12-31-17

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Summit Springs Regional Waste District
Sulphur Springs, Indiana

Report on the Financial Statement

We have audited the accompanying statements of receipts, disbursements, and cash and investment balances of Summit Springs Regional Waste District (the Unit) as of and for the years ended December 31, 2015, 2016 and 2017, and the related notes (the financial statements).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statements, the Unit 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 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Unit as of December 31, 2015, 2016 and 2017, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the Unit as of December 31, 2015, 2016 and 2017, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Officials and Supplementary Information Schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


Crowe LLP

Indianapolis, Indiana
December 21, 2018

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Years Ended December 31, 2015 And 2016

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	<u>01-01-15</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>12-31-15</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>12-31-16</u>
Depreciation	\$ 13,969	\$ 12,000	\$ -	\$ 25,969	\$ 12,000	\$ -	\$ 37,969
Farmers Home Administration	20,106	67,527	44,388	43,245	71,020	47,236	67,029
Improvement Fund	40,033	117	149	40,001	-	-	40,001
Operations	652	213,516	205,055	9,113	257,253	275,626	(9,260)
State Revolving Fund	6,424	36,888	21,685	21,627	39,686	21,686	39,627
Pre Construction	-	350,000	208,479	141,521	3,478	38,145	106,854
Summit Springs Regional Waste District	-	52,223	52,223	-	63,889	63,889	-
Totals	<u>\$ 81,184</u>	<u>\$ 732,271</u>	<u>\$ 531,979</u>	<u>\$ 281,476</u>	<u>\$ 447,326</u>	<u>\$ 446,582</u>	<u>\$ 282,220</u>

See accompanying notes to financial statements.

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
REGULATORY BASIS
For The Year Ended December 31, 2017

Fund	Cash and Investments <u>01-01-17</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-17</u>
Depreciation	\$ 37,969	\$ 12,000	\$ 31,432	\$ 18,537
Farmers Home Administration	67,029	30,910	25,550	72,389
Improvement Fund	40,001	-	-	40,001
Operations	(9,260)	353,642	341,301	3,081
State Revolving Fund	39,627	10,842	50,469	-
Pre Construction	106,854	2,712,649	2,819,503	-
Summit Springs Regional Waste District	<u>-</u>	<u>71,038</u>	<u>71,038</u>	<u>-</u>
Totals	<u>\$ 282,220</u>	<u>\$ 3,191,081</u>	<u>\$ 3,339,293</u>	<u>\$ 134,008</u>

See accompanying notes to financial statements.

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Summit Springs Regional Waste District (the Unit) was established under the laws of the State of Indiana. The Unit operates under an appointed governing board.

The accompanying financial statement presents the financial information for the Unit.

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 (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Charges for services. Amounts received including, but 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 television receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits. Amounts received including receipts derived 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 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.

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. 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 office supplies, operating supplies, and repair and maintenance supplies.

(Continued)

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other services and charges. Amounts disbursed for services including, 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. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Unit. It includes all expenditures for the reduction of the principal and interest of the Unit general obligation indebtedness.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various purposes including, but not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, lease agreements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

Interfund Transfers: The Unit 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.

Fund Accounting: Separate funds are established, maintained, and reported by the Unit. 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 Unit. 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 Unit 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.

Cash Balance Deficits: The financial statements contain some funds with deficits in cash. This is a result of disbursements exceeding receipts.

NOTE 2 - BUDGETS

The operating budget is prepared and approved at the local level.

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 (PDIF). This includes any deposit accounts issued or offered by a qualifying financial institution.

(Continued)

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2015, 2016 and 2017

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

State statutes authorize the Unit 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. Given the limited investment parameters applicable under state statute, certain risks, such as credit, custodial, concentration, and interest rate are not deemed significant. As of the years ended December 31, 2015, 2016 and 2017, the Unit held investments in non-negotiable certificates of deposit. The Unit held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable.

NOTE 4 - RISK MANAGEMENT

The Unit may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions 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 Unit 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.

The Unit has purchased insurance to address the risks described above.

NOTE 5 - DEBT

In 1980, the Unit issued a bond in the amount of \$434,000 for the purpose of establishing the sewer district. The bonds were paid in full on February 28, 2018. The Unit made principal and interest payments during the years under audit.

In 2003, the Unit issued a State Revolving Fund loan in the amount of \$300,000 for the purpose of funding maintenance and repair expenditures. The loan was repaid in 2017. The Unit made principal and interest payments during the years under audit.

SUPPLEMENTAL SCHEDULES (Unaudited)

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2015

	<u>Depreciation</u>	Farmers Home Administratior	Improvement Fund	<u>Operations</u>	State Revolving Fund	Pre Construction	Summit Springs Regional Waste District	<u>Totals</u>
Cash and investments - beginning	\$ 13,969	\$ 20,106	\$ 40,033	\$ 652	\$ 6,424	\$ -	\$ -	\$ 81,184
Receipts:								
Charges for services	-	-	-	201,583	-	-	-	201,583
Penalties	-	-	-	4,295	-	-	-	4,295
Other receipts	12,000	67,527	117	7,638	36,888	350,000	52,223	526,393
Total receipts	12,000	67,527	117	213,516	36,888	350,000	52,223	732,271
Disbursements:								
Personal services	-	-	-	52,223	-	-	52,223	104,446
Supplies	-	-	-	12,565	-	-	-	12,565
Other services and charges	-	-	-	78,867	-	-	-	78,867
Debt service - principal and interest	-	25,500	-	-	21,685	-	-	47,185
Other disbursements	-	18,888	149	61,400	-	208,479	-	288,916
Total disbursements	-	44,388	149	205,055	21,685	208,479	52,223	531,979
Excess (deficiency) of receipts over disbursements	12,000	23,139	(32)	8,461	15,203	141,521	-	200,292
Cash and investments - ending	\$ 25,969	\$ 43,245	\$ 40,001	\$ 9,113	\$ 21,627	\$ 141,521	\$ -	\$ 281,476

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2016

	<u>Depreciation</u>	<u>Farmers Home Administration</u>	<u>Improvement Fund</u>	<u>Operations</u>	<u>State Revolving Fund</u>	<u>Pre Construction</u>	<u>Summit Springs Regional Waste District</u>	<u>Totals</u>
Cash and investments - beginning	\$ 25,969	\$ 43,245	\$ 40,001	\$ 9,113	\$ 21,627	\$ 141,521	\$ -	\$ 281,476
Receipts:								
Charges for services	-	-	-	234,476	-	-	-	234,476
Penalties	-	-	-	4,218	-	-	-	4,218
Other receipts	12,000	71,020	-	18,559	39,686	3,478	63,889	208,632
Total receipts	12,000	71,020	-	257,253	39,686	3,478	63,889	447,326
Disbursements:								
Personal services	-	-	-	63,889	-	-	63,889	127,778
Supplies	-	-	-	9,801	-	-	-	9,801
Other services and charges	-	-	-	103,724	-	-	-	103,724
Debt service - principal and interest	-	25,550	-	-	21,686	3,478	-	50,714
Utility operating expenses	-	-	-	-	-	32,444	-	32,444
Other disbursements	-	21,686	-	98,212	-	2,223	-	122,121
Total disbursements	-	47,236	-	275,626	21,686	38,145	63,889	446,582
Excess (deficiency) of receipts over disbursements	12,000	23,784	-	(18,373)	18,000	(34,667)	-	744
Cash and investments - ending	\$ 37,969	\$ 67,029	\$ 40,001	\$ (9,260)	\$ 39,627	\$ 106,854	\$ -	\$ 282,220

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2017

	<u>Depreciation</u>	Farmers Home <u>Administration</u>	Improvement <u>Fund</u>	<u>Operations</u>	State Revolving <u>Fund</u>	Pre <u>Construction</u>	Summit Springs Regional Waste <u>District</u>	<u>Totals</u>
Cash and investments - beginning	\$ 37,969	\$ 67,029	\$ 40,001	\$ (9,260)	\$ 39,627	\$ 106,854	\$ -	\$ 282,220
Receipts:								
Charges for services	-	-	-	264,095	-	-	-	264,095
Penalties	-	-	-	4,062	-	-	-	4,062
Other receipts	<u>12,000</u>	<u>30,910</u>	<u>-</u>	<u>85,485</u>	<u>10,842</u>	<u>2,712,649</u>	<u>71,038</u>	<u>2,922,924</u>
Total receipts	<u>12,000</u>	<u>30,910</u>	<u>-</u>	<u>353,642</u>	<u>10,842</u>	<u>2,712,649</u>	<u>71,038</u>	<u>3,191,081</u>
Disbursements:								
Personal services	-	-	-	71,038	-	-	71,038	142,076
Supplies	-	-	-	8,575	-	-	-	8,575
Other services and charges	31,432	-	-	178,594	-	-	-	210,026
Debt service - principal and interest	-	25,550	-	7,343	2,174	-	-	35,067
Capital outlay	-	-	-	-	-	2,819,503	-	2,819,503
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,751</u>	<u>48,295</u>	<u>-</u>	<u>-</u>	<u>124,046</u>
Total disbursements	<u>31,432</u>	<u>25,550</u>	<u>-</u>	<u>341,301</u>	<u>50,469</u>	<u>2,819,503</u>	<u>71,038</u>	<u>3,339,293</u>
Excess (deficiency) of receipts over disbursements	<u>(19,432)</u>	<u>5,360</u>	<u>-</u>	<u>12,341</u>	<u>(39,627)</u>	<u>(106,854)</u>	<u>-</u>	<u>(148,212)</u>
Cash and investments - ending	<u>\$ 18,537</u>	<u>\$ 72,389</u>	<u>\$ 40,001</u>	<u>\$ 3,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,008</u>

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>3,489</u>	<u>64,692</u>
Totals	<u>\$ 3,489</u>	<u>\$ 64,692</u>

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
 SCHEDULE OF LEASES AND DEBT
 December 31, 2017

<u>Type</u>	<u>Description of Debt</u>	<u>Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental activities:				
General obligation bonds		Farmers Home Administr	\$ 70,000	\$ 25,500
	Total governmental activities		<u>70,000</u>	<u>25,500</u>
Totals			<u>\$ 70,000</u>	<u>\$ 25,500</u>

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
SCHEDULE OF CAPITAL ASSETS
December 31, 2017

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 120,488
Infrastructure	600,000
Buildings	544,850
Machinery, equipment and vehicles	<u>34,200</u>
Total governmental activities	<u>1,299,538</u>
Total capital assets	<u>\$ 1,299,538</u>

SUMMIT SPRINGS REGIONAL WASTE DISTRICT
OTHER REPORT
December 31, 2015, 2016 and 2017

The reports presented herein were prepared in addition to another official report prepared for the Unit as listed below:

Indiana State Board of Accounts Compliance Examination of Summit Springs Regional Waste District

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts*.