

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

**FINANCIAL STATEMENTS EXAMINATION REPORT
OF**

**MAYSVILLE REGIONAL WATER
AND SEWER DISTRICT
ALLEN COUNTY, INDIANA**

January 1, 2011 to December 31, 2014



FILED
04/25/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Office Manager	Brookie Biglands Melinda Amstutz	01-01-11 to 08-25-11 08-26-11 to 12-31-16
President of the Board	Judith James	01-01-11 to 12-31-16



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MAYSVILLE REGIONAL WATER
AND SEWER DISTRICT, ALLEN COUNTY, INDIANA

We have examined the accompanying financial statements of the Maysville Regional Water and Sewer District (District), for the period of January 1, 2011 to December 31, 2014. The financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements 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, 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 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 statements referred to above present 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 statements. 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 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 3, 2016

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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.

MAYSVILLE REGIONAL WATER AND SEWER 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
Fiduciary Fund Clearing Account	\$ 202,261	\$ 48,192	\$ 64,404	\$ 186,049	\$ 23,892	\$ 99,828	\$ 110,113
Wastewater Operating	346,147	384,860	404,861	326,146	536,642	575,586	287,202
Water Operating	107,488	244,804	247,493	104,799	267,128	265,427	106,500
Meter Deposits	<u>21,862</u>	<u>4,069</u>	<u>694</u>	<u>25,237</u>	<u>1,550</u>	<u>2,946</u>	<u>23,841</u>
Totals	<u>\$ 677,758</u>	<u>\$ 681,925</u>	<u>\$ 717,452</u>	<u>\$ 642,231</u>	<u>\$ 829,212</u>	<u>\$ 943,787</u>	<u>\$ 527,656</u>

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

MAYSVILLE REGIONAL WATER AND SEWER 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
Fiduciary Fund Clearing Account	\$ 110,113	\$ 46,745	\$ -	\$ 156,858	\$ -	\$ 53,384	\$ 103,474
Wastewater Operating	287,202	415,198	354,750	347,650	431,514	363,654	415,510
Water Operating	106,500	264,547	245,577	125,470	302,543	228,726	199,287
Meter Deposits	23,841	2,053	753	25,141	2,000	497	26,644
Totals	<u>\$ 527,656</u>	<u>\$ 728,543</u>	<u>\$ 601,080</u>	<u>\$ 655,119</u>	<u>\$ 736,057</u>	<u>\$ 646,261</u>	<u>\$ 744,915</u>

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

MAYSVILLE REGIONAL WATER AND SEWER 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:

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

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 statements. The aggregate disbursements 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.

MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. 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.

MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3. 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.

OTHER INFORMATION - UNAUDITED

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 statements 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.

MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2011

	Fiduciary Fund Clearing Account	Wastewater Operating	Water Operating	Meter Deposits	Totals
Cash and investments - beginning	\$ 202,261	\$ 346,147	\$ 107,488	\$ 21,862	\$ 677,758
Receipts:					
Utility fees	-	313,156	238,069	-	551,225
Penalties	-	7,509	6,077	-	13,586
Other receipts	48,192	64,195	658	4,069	117,114
Total receipts	48,192	384,860	244,804	4,069	681,925
Disbursements:					
Personal services	-	61,403	30,726	-	92,129
Other services and charges	-	6,065	6,065	-	12,130
Debt service - principal and interest	-	110,101	53,509	-	163,610
Utility operating expenses	-	227,292	121,075	-	348,367
Other disbursements	64,404	-	36,118	694	101,216
Total disbursements	64,404	404,861	247,493	694	717,452
Excess (deficiency) of receipts over disbursements	(16,212)	(20,001)	(2,689)	3,375	(35,527)
Cash and investments - ending	\$ 186,049	\$ 326,146	\$ 104,799	\$ 25,237	\$ 642,231

MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2012

	Fiduciary Fund Clearing Account	Wastewater Operating	Water Operating	Meter Deposits	Totals
Cash and investments - beginning	\$ 186,049	\$ 326,146	\$ 104,799	\$ 25,237	\$ 642,231
Receipts:					
Utility fees	-	381,297	260,387	-	641,684
Penalties	-	7,388	6,437	-	13,825
Other receipts	23,892	147,957	304	1,550	173,703
Total receipts	23,892	536,642	267,128	1,550	829,212
Disbursements:					
Personal services	-	51,493	41,249	-	92,742
Other services and charges	-	6,791	6,801	-	13,592
Debt service - principal and interest	-	74,733	53,695	-	128,428
Capital outlay	-	14,142	14,142	-	28,284
Utility operating expenses	-	428,427	113,429	-	541,856
Other disbursements	99,828	-	36,111	2,946	138,885
Total disbursements	99,828	575,586	265,427	2,946	943,787
Excess (deficiency) of receipts over disbursements	(75,936)	(38,944)	1,701	(1,396)	(114,575)
Cash and investments - ending	\$ 110,113	\$ 287,202	\$ 106,500	\$ 23,841	\$ 527,656

MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013

	Fiduciary Fund Clearing Account	Wastewater Operating	Water Operating	Meter Deposits	Totals
Cash and investments - beginning	\$ 110,113	\$ 287,202	\$ 106,500	\$ 23,841	\$ 527,656
Receipts:					
Utility fees	-	387,059	257,715	-	644,774
Penalties	-	9,362	6,561	-	15,923
Other receipts	46,745	18,777	271	2,053	67,846
Total receipts	46,745	415,198	264,547	2,053	728,543
Disbursements:					
Personal services	-	47,493	46,303	-	93,796
Other services and charges	-	6,377	6,477	-	12,854
Debt service - principal and interest	-	88,223	53,856	-	142,079
Capital outlay	-	2,672	-	-	2,672
Utility operating expenses	-	183,384	97,443	-	280,827
Other disbursements	-	26,601	41,498	753	68,852
Total disbursements	-	354,750	245,577	753	601,080
Excess (deficiency) of receipts over disbursements	46,745	60,448	18,970	1,300	127,463
Cash and investments - ending	\$ 156,858	\$ 347,650	\$ 125,470	\$ 25,141	\$ 655,119

MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014

	Fiduciary Fund Clearing Account	Wastewater Operating	Water Operating	Meter Deposits	Totals
Cash and investments - beginning	\$ 156,858	\$ 347,650	\$ 125,470	\$ 25,141	\$ 655,119
Receipts:					
Utility fees	-	381,937	272,600	-	654,537
Penalties	-	12,023	8,270	-	20,293
Other receipts	-	37,554	21,673	2,000	61,227
Total receipts	-	431,514	302,543	2,000	736,057
Disbursements:					
Personal services	-	47,762	44,306	-	92,068
Other services and charges	-	7,285	7,054	-	14,339
Debt service - principal and interest	-	60,915	53,910	-	114,825
Capital outlay	-	599	599	-	1,198
Utility operating expenses	-	247,093	90,703	-	337,796
Other disbursements	53,384	-	32,154	497	86,035
Total disbursements	53,384	363,654	228,726	497	646,261
Excess (deficiency) of receipts over disbursements	(53,384)	67,860	73,817	1,503	89,796
Cash and investments - ending	\$ 103,474	\$ 415,510	\$ 199,287	\$ 26,644	\$ 744,915

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MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ -	\$ 66,838
Water	-	32,488
Governmental activities	<u>-</u>	<u>-</u>
Totals	<u><u>\$ -</u></u>	<u><u>\$ 99,326</u></u>

MAYSVILLE REGIONAL WATER AND SEWER DISTRICT
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
State Revolving Fund Loan	Wastewater Improvements	\$ 894,000	\$ 85,997
Water:			
USDA Loan	Water Utility Construction	675,000	53,438
Totals		\$ 1,569,000	\$ 139,435

MAYSVILLE REGIONAL WATER AND SEWER 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
Wastewater:	
Land	\$ 45,500
Infrastructure	3,412,483
Buildings	129,000
Improvements other than buildings	20,398
Machinery, equipment, and vehicles	<u>41,992</u>
Total Wastewater	<u>3,649,373</u>
Water:	
Land	12,500
Infrastructure	2,414,718
Buildings	59,000
Improvements other than buildings	31,589
Machinery, equipment, and vehicles	<u>14,992</u>
Total Water	<u>2,532,799</u>
Total capital assets	<u><u>\$ 6,182,172</u></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.in.gov/sboa/>.