

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

GREENE COUNTY REGIONAL SEWER DISTRICT

GREENE COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
10/12/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mark Miller	01-01-12 to 12-31-17
President of the Board	William H. Harp	01-01-12 to 12-31-17



## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GREENE COUNTY REGIONAL  
SEWER DISTRICT, GREENE COUNTY, INDIANA

We have examined the accompanying financial statements of the Greene County Regional Sewer District (District), for the period of January 1, 2012 to December 31, 2016. The District's management is responsible for the fair presentation of these financial statements in accordance with the prescribed basis of accounting described in Note 1. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the financial statements. The nature, timing, and extent of the procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 described in the preceding paragraph, the financial statements for the period of January 1, 2012 to December 31, 2016, 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.

INDEPENDENT ACCOUNTANT'S REPORT  
(Continued)

In our opinion, the financial statements for the period of January 1, 2012 to December 31, 2016, referred to above, present the financial position and results of operations of the District based on the prescribed basis of accounting described in Note 1 to the financial statements, in all material respects.

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, 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, CPA  
State Examiner

August 28, 2017

## 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.

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GREENE COUNTY REGIONAL SEWER DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
General Fund	\$ -	\$ 10,000	\$ 4,905	\$ 5,095	\$ 30,401	\$ 31,505	\$ 3,991
Totals	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 4,905</u>	<u>\$ 5,095</u>	<u>\$ 30,401</u>	<u>\$ 31,505</u>	<u>\$ 3,991</u>

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

GREENE COUNTY REGIONAL SEWER DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
General Fund	\$ 3,991	\$ 79,677	\$ 77,618	\$ 6,050	\$ 56,638	\$ 53,465	\$ 9,223
Totals	<u>\$ 3,991</u>	<u>\$ 79,677</u>	<u>\$ 77,618</u>	<u>\$ 6,050</u>	<u>\$ 56,638</u>	<u>\$ 53,465</u>	<u>\$ 9,223</u>

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

GREENE COUNTY REGIONAL SEWER DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
General Fund	\$ 9,223	\$ 62,537	\$ 67,002	\$ 4,758
Totals	<u>\$ 9,223</u>	<u>\$ 62,537</u>	<u>\$ 67,002</u>	<u>\$ 4,758</u>

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

GREENE COUNTY REGIONAL 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:

*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.

*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:

GREENE COUNTY REGIONAL SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*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.

**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, 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 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.

**Note 4. Subsequent Events**

*Rate Ordinance*

The District approved Rate Ordinance 2016-1 on November 17, 2016, with the provision that the increase in rates be delayed to the March 2017 billing cycle.

GREENE COUNTY REGIONAL SEWER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*Sewer Facility Lease and Operating Expenses*

In 2012, the Greene County Redevelopment Commission (Commission) leased the sewer facilities to the District, with lease payments set at \$704 per month. Due to delays in the development of the Westgate Technology Park, served by the District, revenues forecast in 2012 did not materialize. On August 15, 2013, the Commission amended the lease, which obligated the Commission to pay certain operating expenses related to the sewer facilities. Amounts paid by the Commission to date total \$138,801, as reported on the District's Accounts Payable Supplemental Schedule. The lease, which was amended again on August 17, 2017, provides that beginning in January 2020, the District's lease payments will increase from \$704 to \$1,500 until such time as the District's lease payments equal the operating expenses paid by the Commission up to December 31, 2019.

#### OTHER INFORMATION - UNEXAMINED

The District's Annual Financial Reports 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 Reports 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.

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

	<u>General Fund</u>
Cash and investments - beginning	\$ <u>          -</u>
Receipts:	
Charges for services	<u>          10,000</u>
Total receipts	<u>          10,000</u>
Disbursements:	
Other services and charges	<u>          4,905</u>
Total disbursements	<u>          4,905</u>
Excess of receipts over disbursements	<u>          5,095</u>
Cash and investments - ending	<u>          \$ 5,095</u>

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

	General Fund
Cash and investments - beginning	\$ 5,095
Receipts:	
Charges for services	20,401
Other receipts	10,000
Total receipts	30,401
Disbursements:	
Supplies	5,097
Other services and charges	26,408
Total disbursements	31,505
Deficiency of receipts over disbursements	(1,104)
Cash and investments - ending	\$ 3,991

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

	<u>General Fund</u>
Cash and investments - beginning	\$ <u>3,991</u>
Receipts:	
Charges for services	59,570
Other receipts	<u>20,107</u>
Total receipts	<u>79,677</u>
Disbursements:	
Supplies	1,827
Other services and charges	<u>75,791</u>
Total disbursements	<u>77,618</u>
Excess of receipts over disbursements	<u>2,059</u>
Cash and investments - ending	\$ <u><u>6,050</u></u>

GREENE COUNTY REGIONAL SEWER DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	<u>General Fund</u>
Cash and investments - beginning	\$ <u>6,050</u>
Receipts:	
Charges for services	56,576
Other receipts	<u>62</u>
Total receipts	<u>56,638</u>
Disbursements:	
Supplies	10,330
Other services and charges	<u>43,135</u>
Total disbursements	<u>53,465</u>
Excess of receipts over disbursements	<u>3,173</u>
Cash and investments - ending	\$ <u><u>9,223</u></u>

GREENE COUNTY REGIONAL SEWER DISTRICT  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2016

	<u>General Fund</u>
Cash and investments - beginning	\$ 9,223
Receipts:	
Charges for services	<u>62,537</u>
Total receipts	<u>62,537</u>
Disbursements:	
Supplies	7,550
Other services and charges	<u>59,452</u>
Total disbursements	<u>67,002</u>
Deficiency of receipts over disbursements	<u>(4,465)</u>
Cash and investments - ending	<u><u>\$ 4,758</u></u>

GREENE COUNTY REGIONAL SEWER DISTRICT  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 138,801</u>	<u>\$ -</u>

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GREENE COUNTY REGIONAL SEWER DISTRICT  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2016

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: Notes and loans payable	Loan From Greene County Economic Development Commission	\$ 35,000	\$ -
Totals		<u>\$ 35,000</u>	<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/>.